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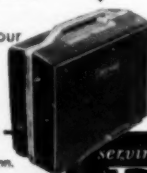
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In This Issue

New Orleans Number

Three Feature Articles

	PAGE
America's Best Buy	4
Charles Nutter	
So, You Are Planning to Attend the New Orleans Conference	14
Charles D. Burnwasser	
Credit Service for Small Business	15
Joseph D. Henderson	

Five Other Highlights

New Orleans Conference Group Chairmen	6
Credit Women's Breakfast Clubs of North America	18
New Orleans Program Highlights	20
International Conference Speakers	23
Credit Flashes	28

Six Departments

From the Nation's Capital	22
Comparative Collection Percentages for March	24
Credit and Collection Procedure	25
For the Smaller Businessman	26
Credit Department Letters	30
Message from President O. W. Frieberg	32



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AMERICA'S BEST BUY

by

CHARLES NUTTER

MANAGING DIRECTOR, INTERNATIONAL HOUSE

NEW ORLEANS, LOUISIANA

AS HE LAY dying in exile in the spring of 1821 Napoleon Bonaparte was inclined to let his mind wander back through the incredible adventures of his life. At one stage he remarked:

"If I had the choice, I would go to America. I would pay a visit to Louisiana. After all it was I who gave it to the Americans."

Napoleon didn't give Louisiana to the Americans. We paid France \$15,000,000 for it; but nevertheless it was a gift and fortunately there were in office then a few high minded, courageous and able men to realize and achieve the Purchase when opportunity knocked. It is a fascinating story not too well known, which should be told and retold. We are on the eve of the 150th anniversary of the Louisiana Purchase. The opportunity is at hand to tell the world of the real beginning of free enterprise and true democracy.

The significance of the Louisiana Purchase is not generally recognized as the beginning of the power and prosperity of the United States which stemmed from the expansion beyond the Mississippi River to the Pacific Ocean. The Louisiana Purchase was probably the greatest de-

velopment ever made in the capitalistic system we now enjoy.

The 150th Anniversary of the Purchase next year gives to Louisiana the magnificent historical opportunity to call the attention of the entire world to the beginning of American greatness and the great benefits of the Capitalistic System and the American industrial and agricultural expansion.

The vast unknown territory west of the Mississippi River was a problem and a financial drain on European nations so long as it remained a colony. It had been so for two and a half centuries until the Americans acquired this area in 1803. Within a very short period after that, its real opportunity and resources began to be exploited. Soon, even the most bitter skeptics discovered that we had stumbled into the greatest real estate bargain in all history, when we acquired this area of some 900,000 square miles of territory at about four cents a square acre.

The chain of events that led up to the Louisiana Purchase presents an almost incredible and fascinating sequence. This might have been broken at any stage and our whole history changed. Had this happened the United States might never have become a world power and the area west of the Mississippi River might have remained divided into numerous Colonial preserves such as Africa, or small weak nations of little importance.

The men who foresaw the significance of the acquisition of this territory and who carried it out in the face of antagonistic public opinion for the most part are among the greatest heroes of American history. Robert R.

This article, by Mr. Nutter, was prepared after exhaustive research and study and is presented here for your pleasure so that you may be familiar with the historical facts and background surrounding the Louisiana Purchase which is being celebrated this year, the 150th anniversary of this momentous occasion. This celebration ties in with our annual conference in New Orleans, June 22-25, 1953, and will prove of definite interest to our entire membership.

—The Editor.

Livingston takes his place at the top of this list, along with President Thomas Jefferson, James Madison and James Monroe, the latter three of whom served their time as Presidents of the United States.

Suddenly presented the opportunity to acquire an area roughly as large as that already possessed by the United States for 15 million dollars, Livingston and Monroe negotiated the Purchase without authority, without money and without any idea of the exact boundaries of the territory they were purchasing. They feared that the Purchase would have a bad reaction in the United States and be vigorously opposed by political enemies. They knew it would be extremely difficult to raise the money to pay Napoleon. They knew they lacked any semblance of authority to proceed, but they also knew that this was an opportunity that could not be passed by. Jefferson, after the original shock, saw the same facts and pushed the Purchase through to ratification despite the Constitutional arguments raised against it. Even so, it passed Congress by less than a handful of votes. Had the opposition prevailed, the Treaty would have failed and very likely the British would have moved in and taken over the Louisiana Purchase area, which at that time was garrisoned by less than fifty French soldiers.

Napoleon had no desire or intention of selling Louisiana until a chain of events made it apparent that he was in no position to defend the area against the British. He clearly recognized that he was thwarting England in the sale and so stated at the time of the final negotiations. He faced a great war with England, however, well knowing that the protection of his distant colonies without great national loyalties was impossible. He had just suffered great military losses and reverses in Santa Domingo at the hands of the great Negro leader Toussaint and his brother-in-law General LeClerc had been killed there. The expedition that he had hoped would go on to take over and garrison Louisiana had been dispersed by death and disease.

Napoleon knew he had to dispose of Louisiana and he chose to sell for a nominal price to the Americans as the best way of spiting his enemy the British. The American negotiators knew they had to purchase it in self-protection, although they had no instructions or authority to do so. The sale was contested and challenged immediately by both the British and Spanish governments, who claimed Napoleon's act was unofficial and the sale null and void, and this dispute was not settled until after the Treaty of Ghent in 1815 with final British capitulation.

Importance of the Mississippi

The territory had been a constant drain on the French and Spanish for 250 years, but has flowered through American industry, capital and labor into the richest area in the whole world.

We have a magnificent and significant opportunity in 1953 to educate the world as to the importance of the territory drained by the Mississippi River and served by the Port of New Orleans and the State of Louisiana, and it is to be hoped that we will grasp this opportunity. Plans are under way now to carry out a celebration that will call the attention of the world to these stirring historical events when the United States began its march to world power, which today is the only bulwark against Communism and chaos.

Let us trace, even though briefly, the facts of the Louisiana Purchase:

On May 1, 1541, De Soto discovered the Mississippi River near Helena, Arkansas.

At just about this same time Coronado, moving from Mexico, discovered the Missouri River somewhere north of St. Joseph, Missouri. He was greatly impressed by the countless buffalo which he called crooked-backed Oxen.

Their discoveries were lost for 130 years until on June, 1673 Marguette and Joliet came west from Montreal and found the Mississippi River again, west of Chicago. They were the first Frenchmen who ever saw it, and they followed the river down to the Arkansas. They called it the St. Louis, the Missouri, the St. Philip and the Ohio La Belle. Incidentally, Lake Michigan at that time was called Lake Orleans, and Fort Pontchartrain was the first settlement and founding of Detroit. Nearly twenty years later La Salle named the central area of the United States, Louisiana, and claimed it for France.

The Original Louisiana

The original Louisiana consisted of the entire territory drained by the Mississippi River and all of its tributaries, and an area in southeastern United States lying east of the Mississippi River watershed and north of the Palm River, a small stream in central western Florida on Sarasota Bay. This original area consisted of approximately one-half of the United States as we know it today, and was made up of all or parts of thirty-one states spread from New York, Pennsylvania, Maryland and Virginia westward to Idaho and Montana.

Louisiana came into being in a curious and colorful ceremony on the banks of the Mississippi River about ten miles from what is today Southwest Pass on April 9, 1682, 271 years ago. The great and learned French explorer and discoverer LA SALLE, having descended the Mississippi River and Illinois River from the present location of Chicago, claimed the whole watershed for his patron via a proclamation which is preserved in museums distant from Louisiana. Let us look in for a moment on this high point in our history. La Salle drew up his ragged and hardened band of fifty Frenchmen on the west bank of the river, and had them present arms. Then they chanted the Te Deum and other exaltations of their Creator, fired a royal salute and greeted the King. La Salle erected a column, buried a plate, unfurled the flag of France and in a loud clear voice read his proclamation which began:

"In the name of the most high, mighty, invincible and victorious prince, Louis the Great, by the grace of God, King of France and of Navarre, fourteenth of that name, this ninth day of April, 1682, I, in virtue of the commission of His Majesty which I hold in my hand, and which may be seen by all whom it may concern, have taken, and do now take, in the name of His Majesty and of his successors to the crown, possession of this country of Louisiana etc. . . ."

La Salle was 39 years old and this was the zenith of his career, although subsequently he founded the city of Chicago, and held the trading rights over the entire area he had claimed and named Louisiana. Ambition, debts and enemies pursued him his entire life. Commissioned

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by his King to settle Louisiana in 1686 he failed to find the mouth of the great Colbert or Mississippi River, and wound up in Texas. Eventually he was killed by one of his own men, a magnificent failure who had delivered to France an empire which was for a century an expensive headache to the two great world powers, France and Spain.

This then was the beginning of Louisiana, the richest, most productive, valuable and strategic area on earth, the acquisition of which by the United States started it toward world power and changed world history.

The Louisiana area never flowered under either France or Spain, and indeed was a financial headache and drain to both countries throughout the two and a half centuries they controlled it. Governor General Cadillac looked the place over and told Crozat that

"This whole continent is not worth having."

Although the grant was for 15 years, Crozat found it too expensive and troublesome and surrendered the grant in less than five years. The India or John Law Company lost twenty million dollars in expensive schemes to develop the commerce under chartered privileges. It was conceded that the French government squandered over forty million of livres in colonization efforts in Louisiana.

The truth is that in 1800 Louisiana still was a colonial pawn of European politics, little appreciated, poorly developed and settled, and of actual small intrinsic value to the governments of Spain and France which had passed it back and forth in accordance with whims of their rulers.

In 1762 France had ceded Louisiana to Spain in a secret treaty the terms of which did not become known and published for seventy years. Spain did nothing of consequence to develop the territory other than occupation of New Orleans and, indeed, thought so little of Louisiana that she ceded it back to France in another secret

treaty, called the Treaty of San Ildephonso, in 1800, in return for France giving to Spain the Grand Duchy of Tuscany in Italy so that the Duke of Parma, son-in-law of the King of Spain, could become King by having his dominions enlarged into the Kingdom of Etruria.

This treaty did not become effective until ratification and its very existence was denied at Madrid and Paris for nearly two years. In the meantime, however, we had become embroiled in serious trouble with both Spain and France, which were inclined to disregard the newly won rights of the American Republic.

At sea we had been engaged in two years of cold war with French raiders who had been attacking our ships even back since the President Washington administration, and a large claim for spoilation had piled up against France.

President John Adams sent a mission to France in 1798 seeking to gain recognition of our claims and effect a settlement. The French directory refused to receive the mission, demanding a liberal bribe and a personal bribe of a quarter million dollars to Talleyrand, member of the directory, before being heard. Charles Cotesworth Pinckney, member of the mission, made the memorable reply

"Millions for defense, but not one cent for tribute."

John Marshall and Elbridge Gerry were the other members of the mission. They returned home. The outraged Adams began immediate preparations for war, requesting Washington to come out of retirement to head up the armies. He accepted and chose Alexander Hamilton as second in command. France backed down after Napoleon came into power, but there was no taste to having France as a near neighbor in the new world, and Spain wasn't regarded as much better.

In 1795 the United States had succeeded in getting a five-year treaty with Spain giving the United States the right of deposit at New Orleans which was essential to settlement of the western area of the thirteen colonies. The right of barges and ships to exchange their cargoes at the mouth of the Mississippi River was essential to the development of mid-United States, and this was recognized from the beginning. It was stated and understood that New Orleans was the key to the Mississippi and the Mississippi Valley and that it must either be in the hands of the United States or a nation friendly to us if we were ever to develop middle-America.

"There is on the globe one single spot, the possession of which is our natural and habitual enemy—that being New Orleans."

President Jefferson made this somewhat bellicose, certainly decisive, statement to Robert R. Livingston, Minister to France, at one stage of the Purchase negotiations, and another time he stated:

"from the moment that France takes possession of New Orleans we must marry ourselves to the British fleet and nation."

We were at that stage ready to join our late enemy the British in order to get New Orleans. Spanish mistakes helped to crystallize the situation, for in 1802 the Spanish intendant Morales suspended the now-lapsed deposit rights, inflaming the West and inciting serious and inflammatory talk of war. Congress spent weeks discussing an appropriation of five million dollars and the raising of an army to move on New Orleans and seize it.

"We must know at once whether we can acquire New Orleans or not. We are satisfied nothing else will secure us against a war. The future destinies of our country hang on the event of this negotiation."

These forceful, prophetic words were delivered by President Jefferson during the negotiations that Livingston had initiated in Paris for New Orleans.

President Thomas Jefferson came into office in 1801 and within the year he had dispatched Livingston to Paris as Minister with instructions to clarify the situation at New Orleans by blocking, if he could, the retrocession of Louisiana to France, by convincing the French that the city of New Orleans and the Floridas were valueless to them and should be given to the United States, to get permanent rights of deposit or, if possible, to buy the city of New Orleans. A Congressional grant of \$2,000,000 was made for the latter purpose.

Livingston was one of our greatest Americans of the early days of the Republic, and his choice was a very fortunate one by Jefferson. Then 58 years old, Livingston was wise, experienced and well trained. He had been a justice of the New York Supreme Court, a member of the Stamp Act Congress of 1765, one of the drafters of the Constitution, Chancellor of New York, and had delivered the oath of office to George Washington under whom he served as his first Secretary of State.

No one could have worked with more diligence or intelligence toward the accomplishment of his goal, and while he often seemed discouraged by the obstacles he encountered in Paris, the groundwork Livingston laid by day and by night for some 18 months eventually won him not only his objective but all of Louisiana as well, and started the United States on its way to world stature and power. He was one of the real fathers of the United

States as a world power, and deserves more than any other the credit for taking the United States west of the Mississippi and on to the Pacific and continental unity.

Throughout the Purchase proceedings Rufus King, United States Minister to Great Britain, was invaluable because of his excellent sources of information. In March, 1801, he reported to James Madison, Secretary of State, that it was probable Louisiana would be ceded back to France, and intimated that the United States should prevent this and acquire Louisiana. He suggested the appointment of a strong and able Minister to France. Jefferson shortly afterward named Livingston who set off on September 28, 1801, on his mission under instructions from Madison to purchase New Orleans, Florida, or even part of Louisiana if need be.

Before Livingston could reach Paris, however, France and England signed the Peace of Amiens and Napoleon appointed General Victor Emmanuel LeClerc, his brother-in-law, to head an expedition to Santo Domingo to suppress the independence movement there, and thence to proceed to Louisiana to take over. LeClerc departed in December, 1801, with 45,000 French soldiers and the largest armada that ever left Europe for the New World.

Livingston, on December 30, 1801, told Rufus King, Minister to England, that he had learned that the expedition being sent out to Hispaniola was then to proceed to Louisiana provided the Negro Patriot Toussaint made no opposition.

All during 1802 Livingston worked diligently on his mission, writing memorials, consulting with officials and laying groundwork of opposition to colonization of Louisiana, and attempting to purchase New Orleans and

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West Florida. In September he told Madison:

"There never was a government in which less can be done by negotiation. There are no people, no legislature, no councillors. One man is everything. His ministers are mere clerks, and his legislators and councillors but parade officers. All reflecting men are opposed to the wild expedition to Louisiana, but no man dares tell Napoleon so. But I am persuaded that the whole will end in relinquishment of the country—an abandonment of the enterprise."

In October, 1802, Livingston had a fortunate conversation with Joseph Bonaparte, whom he enlisted in his cause, and thenceforth he had a direct pipeline through to Napoleon. Even so, progress was slow and discouraging, and at times Livingston was so aggressive that he was accused of meddling in French affairs. He memorialized the cabinet, he wrote endlessly to key people, he sought to influence public opinion even though public opinion in France under Napoleon meant little. He worked without rest, laying the groundwork for French doubt in the advisability of returning to Louisiana. His achievements were not visible, but he built better than he knew as later events indicated.

The French would not even admit they were going to return Louisiana to France, and existence of the secret treaty was denied during the preliminary actual negotiations even though the Americans knew not only of its existence, but of its general terms.

The principal events of 1802 and the early part of 1803 are herewith summarized:

January 13, 1802—Livingston commented to Madison concerning the secrecy of France in the transaction.

February 5, 1802—King informed Madison of French plans to send an expedition to Louisiana.

February 20, 1802—Livingston requested information from the French government as to its plans for Louisiana, but was not answered.

February 26, 1802—Livingston informed Madison that French statesmen were opposed to the acquisition of Louisiana, but that it was a "favorite object" with Napoleon.

March 24, 1802—Livingston informed Madison that the French hoped to command the trade of the western states by controlling New Orleans.

May 1, 1802—Madison instructed Livingston to attempt to divert France from her plans for Louisiana, and to learn the price for which New Orleans and the Floridas would be yielded to the United States.

May 28, 1802—Livingston attempted to learn from the Spanish minister in Paris, the Chevalier J. Nicolay d'Azara, the terms of the cession, and asserted the right of the United States to be a party to any convention ceding the free navigation of the Mississippi River.

June 2, 1802—Livingston received no information except the admission that the cession had been made.

August 10, 1802—Livingston circulated a memoir to prove that the possession of Louisiana would be politically and commercially disadvantageous to France.

August 16, 1802—General Claude Perrin Victor was appointed to command the French expedition of 3,000 men to Louisiana.

August 31, 1802—Livingston was informed that France would not negotiate on the sale of New Orleans and the Floridas until France took possession of Louisiana.

October 15, 1802—Charles IV of Spain signed an order to deliver Louisiana to France.

October 15, 1802—Madison informed Livingston that the United States was interested only in purchasing New Orleans and the Floridas.

October 16, 1802—Juan Buenaventura Morales, Spanish intendant in New Orleans, suspended the right of deposit in New Orleans and did not name an alternate place.

November 11, 1802—Livingston reported to Madison that the rights of the United States, acquired from Spain, would be regarded by France in the occupation of Louisiana.

November 14, 1802—Livingston reported that France was attempting to obtain Florida from Spain, and proposed the sale or exchange of Parma.

November 27, 1802—Madison instructed Pinckney to obtain redress from Spain because the right of deposit was withheld.

December 2, 1802—General LeClerc died in Haiti. Death knell to the French campaign there.

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December 15, 1802—President Thomas Jefferson intimated to Congress that the cession of Louisiana to France might make a change in the foreign relations of the United States necessary.

January 12, 1803—U. S. Senate confirmed James Monroe as special envoy to assist Livingston.

January 29, 1803—Madison informed King that the United States desired friendly relations with Great Britain but that the U. S. was determined to maintain its own rights.

February 3, 1803—Jefferson urged Livingston to work diligently for the cession of New Orleans to the U. S.

February 18, 1803—Livingston sent Madison a memoir which showed that Great Britain would strain every nerve to acquire Louisiana and Florida; and that, if aided by the United States, the resources of France could not prevent that result.

February 23, 1803—James Monroe appointed a minister to France co-jointly with Livingston.

February 28, 1803—Livingston in a letter to Napoleon urged the pledged faith of the French government for the payment of American claims and informed the First Consul of the alarm in the U. S. over the French acquisition of Louisiana by France. Livingston informed Napoleon that France could not gain any permanent advantage from this acquisition and should cede it to the United States.

March 2, 1803—Livingston and Monroe instructed to negotiate the purchase of New Orleans and the Floridas.

March 8, 1803—Monroe set sail for France.

March 26, 1803—Pierre Clement Laussat arrived in New Orleans to prepare for the French occupation.

April 2, 1803—King informed Madison that in the event of war, which seemed inevitable, England was determined to occupy New Orleans.

Thus began the crucial month of April, 1803, during which everything was concluded and arranged, even though it took many more months to ratify the transactions, and several years to "sell" the Purchase not only to our own people, but to convince the governments of Great Britain and Spain that the Purchase was legal and must be respected.

Each day made history during this eventful April. Livingston had builded far better than he knew, and coincidental events had set the stage for the final act. LeClerc was dead, Napoleon had lost Haiti irretrievably, he faced an immediate war with England well knowing that protection of distant American colonies without great naval forces was impossible, and he had no such forces. He desperately needed money, he had thought well of the retrocession but some of his ministers had debated earnestly with him against it, probably influenced by Livingston's earnest and convincing propaganda.

April 10th was Easter Sunday. Napoleon was at St. Cloud where he had summoned Count Barbe Marbois and General Berthier, his Ministers of Finance and War. After a general review of world events and the French position Napoleon arose, and with all the earnestness of a conqueror, said:

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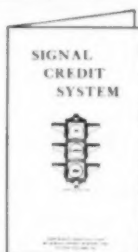
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"I am fully sensible of the value of Louisiana, and it was my desire to repair the error of the French diplomatists who abandoned it in 1762. I have scarcely received it before I run the risk of losing it; but if I am obliged to give it up, it shall hereafter cost more to those who force me to part with it, than those to whom I yield it. The English have successfully taken from France: Canada, Cape Breton, Newfoundland, Nova Scotia, and the richest portions of Asia. They are engaged in exciting troubles in St. Domingo. They shall not have the Mississippi, which they covet. Louisiana is nothing in comparison with their conquests in all parts of the globe, and yet the jealousy they feel at the restoration of this colony to the sovereignty of France, acquaints me with their wish to take possession of it, and it is thus they will begin the war. They have twenty vessels in the Gulf of Mexico, and our affairs in St. Domingo are daily getting worse since the death of LeClerc. The conquest of Louisiana might be easily made, and I have not a moment to lose in putting it out of their reach. I am not sure but what they have already begun an attack upon it. Such a measure would be in accordance with their habits, and, in their place, I should not wait. I am inclined, in order to deprive them of all prospect of ever possessing it, to cede it to the United States. Indeed, I can hardly say that I shall cede it, for I do not yet possess it, and if I wait but a short time, my enemies may leave nothing but an empty title to grant to the Republic I wish to conciliate. They only ask for one city of Louisiana, but I consider the whole country lost, and I believe that in the hands of this rising power it will be more useful to the political and even the commercial interests of France, than if I should attempt to retain it. Let me have both your opinions on the subject."

They discussed the measure without decision. Marbois greatly favored the sale; Berthier as earnestly opposed it. The next day Napoleon said to Marbois:

"The season for deliberation is over. I have determined to renounce Louisiana. I shall not only give up New Orleans, but the whole country without reservation. . . . I do not undervalue Louisiana. . . . I regret parting with it, but I am convinced that it would be folly to persist in trying to keep it. I commission you, therefore, to negotiate this affair with the envoys of the United States. . . . Were I to regulate my demands by the importance of this territory to the United States, they would be unbounded; but, being obliged to part with it, I shall be moderate in my terms. Still, remember, I must have sixty millions of francs for it, and I will not consent to take less."

Talleyrand likewise opposed the sale, but was first to break the news to Livingston that day, although casually. They met socially and as always Livingston was importuning Talleyrand to consider turning New Orleans over to the United States when suddenly Talleyrand turned to him and said:

"How would you like to buy all of Louisiana?"

The idea startled Livingston who was unprepared for its implications, and he replied the United States sought

only to purchase New Orleans. Talleyrand told him to think it over.

Livingston returned to his embassy late that night and in a midnight dispatch to Jefferson and Madison outlined the new development. There was, of course, no rapid means of communication and he knew his dispatch would not be read for forty-five days or more, and he would need to act without awaiting an answer. This dispatch is an important document in the negotiations, for Livingston began in trepidation and ended convinced American destiny had knocked suddenly at his door.

Negotiations opened without delay, being handled by the Marques Barbe de Marbois who was a wise and experienced diplomat, very pro-American. He had served in the French mission in the United States for ten years, and married the daughter of the governor of Pennsylvania. He and Livingston and Jefferson, Monroe and Washington were old and trusted friends. He wanted the United States to have Louisiana for the very reasons Napoleon had outlined. Monroe later reported about Marbois:

"M. Marbois in every stage of the negotiations was liberal, candid and fair, indicating a very friendly feeling for the United States and a strong desire . . ."

Livingston was able to delay negotiations only a couple of days until Monroe arrived. They both realized the price, though remarkably low, was still an immense amount for the new United States, that Congress would have to be called upon not only to ratify the treaty but also to raise the money, that no one knew the boundaries of the territory under discussion, that they had no authority or mandate to carry out the negotiations, and that without doubt what they were doing was illegal. They knew also that it was the greatest opportunity that had come to the struggling republic, and that it was necessary for union and strength. Thus reinforced morally they proceeded to conclusion of the treaty on April 30, 1803, when it was signed by Livingston, Monroe and Barbe Marbois.

Livingston's Negotiations With Monroe

Livingston carried on the negotiations with Monroe, advising him from the background since there had been no time even to present Monroe's credentials to Napoleon. From the beginning the only point of difference was the price, and whether the Americans would proceed or not. The price asked was the equivalent of 120 million francs, and the price given was 80 million francs, sixty million cash and absorption of 20 million francs of spoilation claims—the total being \$15,000,000.

"What are the boundaries?" Livingston asked Talleyrand at one stage of proceedings. "I don't know," Talleyrand replied, and again pleaded ignorance when asked what was being sold. "Do you mean we are to construe this in our own way?" Livingston persisted. "I can give you no direction," Talleyrand replied. "You have made a noble bargain for yourselves and I suppose you will make the most of it."

Indeed Talleyrand made clear he did not even know if France could deliver the territory, yet it was sold, as Spain still held it in her possession. But Livingston later told Madison:

"I was willing to take it in any form."

Although their fellow Americans were slow to realize the significance of their action, Livingston and Monroe were conscious of the greatness of this event when they signed the treaty, and so was Napoleon. At that time Livingston made this statement:

"We have lived long, but this is the noblest work of our whole lives. The treaty which we have just signed has not been obtained by art or dictated by force; equally advantageous to the two contracting parties, it will change vast solitudes into flourishing districts. From this day the United States take their place among the powers of the first rank; the English lose all exclusive influence in the affairs of America. Thus one of the principal causes of European rivalries and animosities is about to cease. However, if wars are inevitable, France will hereafter have in the New World a natural friend, that must increase in strength from year to year, and one which cannot fail to become powerful and respected in every sea. The United States will reestablish the maritime rights of all the world, which are now usurped by a single nation. These treaties will thus be a guarantee of peace and concord among commercial states. The instruments which we have just signed will cause no tears to be shed: they prepare ages of happiness for innumerable generations of human creatures. The Mississippi and Missouri will see them succeed one another, and multiply, truly worthy of the regard and care of Providence, in the bosom of equality, under just laws, freed from the errors of superstition and the scourges of bad government."

And Napoleon said:

"This accession of territory strengthens forever the power of the United States; and I have just given to England a maritime rival, that will sooner or later humble her pride. The day may come when the cession of Louisiana to the United States shall render the Americans too powerful for the continent of Europe."

The Purchase meant a complete change in policy for the United States as it doubled American territory and carried the nation west to the Rocky Mountains. It meant vastly increased opportunities and responsibility, it changed the whole policy of the nation in every way. It met furious resistance from Spain and from England, both of which claimed Napoleon's acts were illegal and null.

Britain's Part in the Louisiana Purchase

The British were in fact outfitting an expedition to proceed to take over Louisiana at the very hour that the Treaty was signed. The American negotiators had not an hour to lose, as it developed, and they well knew this fact. Jefferson also quickly sensed this fact as well, and while at first he was taken aback by the fact of the Purchase when word finally reached Washington in mid-July of 1803, he did not pause long, particularly after Livingston sent word that Napoleon might back out of the treaty if ratification didn't follow quickly.

Jefferson at first believed the Purchase was unconstitutional. He consulted his attorney general to see if it would be necessary to pass enabling legislation before ratification, but he gave his approbation to his commissioners at once. When word came that the Purchase

might be "lost" unless ratified quickly, he summoned Congress into special session for mid-October, three months hence.

Paraphrasing Will Rogers, it might be said "we never won a peace or lost a real estate bargain," and the greatest of all these was the Louisiana Purchase which was vigorously and bitterly resented and fought. Jefferson himself suffered much bitter detraction and personal ridicule. It was, of course, at once a political issue with Jefferson being denounced for what was claimed to be the unconstitutional method of procedure.

Senators Pickering of Massachusetts and Tracy of Connecticut attacked the purchase on the grounds that it admitted new citizens to the Union without consent of states already belonging to the Union.

Rep. Griswold of Connecticut declared it was:


"not consistent with the spirit of a republican government that its territory should be exceedingly large; for as you extend your limits you increase the difficulties arising from a want of that similarity of customs, habits and manners so essential for its support."

Rep. Griffin of Virginia feared:

"the effect of the vast extent of our empire; he feared the effects of the increased value of labor, the decrease in the value of lands, and the influence upon our citizens who should migrate thither. He did fear this Eden of the New World would prove a cemetery for the bodies of our citizens."

Senator Plumer of New Hampshire said admission of this Western world into the Union would destroy at once

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the weight and importance of the eastern states and compel them to establish a separate, independent empire. Senator James White of Delaware was more doubtful than any other, for he said admission of Louisiana into the Union would be the greatest curse that could befall the United States.

Let's hear his evidence on the subject:

"It may be productive of innumerable evils," he said, "and especially of one that I fear to ever look upon. Thus our citizens will be removed to the immense distances of two or three thousand miles from the capital of the Union, where they will scarcely ever feel the rays of the Central Government—their affections will become alienated; they will gradually begin to view us as strangers—they will form other commercial connections, and our interests will become distinct. Even supposing that this extent of territory was a desirable acquisition, fifteen millions of dollars was a most enormous sum to give.

"We have already territory enough, and when I contemplate the evils that may arise to these States from this intended incorporation of Louisiana into the Union, I would rather see it given to France, to Spain, or to any other nation of the earth, upon the mere condition that no citizen of the United States should ever settle within its limits, than to see the territory sold for a hundred millions of dollars, and we retain the sovereignty."

In reply Breckenridge of Kentucky said:

"Is the goddess of liberty restrained by water courses? Is she governed by geographical limits? Is her dominion on this continent confined to the east side of the Mississippi? So far from believing in the doctrine that a republic ought to be confined within narrow limits, I believe, on the contrary, that the more extensive its dominion, the more safe and more durable it will be. In proportion to the number of hands you intrust the precious blessings of a free government to, in the same proportion do you multiply the chances for their preservation. I entertain, therefore, no fears for the Confederacy, on account of its extent."

Despite the opposition the treaty was ratified in late October, 1803, and the conventions providing the money were approved in Congress in November. John Quincy Adams, who later was to become President of the United States, voted against ratification. Four more negative votes would have killed the treaty and lost the territory, but Jefferson carried the day.

Events of tremendous significance were to follow this first great expansion. Within 15 years we had maneuvered Spain out of the Floridas and shortly afterward we acquired Texas through annexation, and California and Arizona and New Mexico through the war with Mexico.

*Reading this publication carefully
and regularly will contribute to
your success as a Credit Executive.*

We took over Oregon, Idaho and Washington through the right of discovery, and within a few years bargained Russia off the North American Continent through the Alaskan purchase, likewise opposed in Congress. It is worth while today to think what might have happened if Seward had failed to purchase Alaska in 1867 and if Soviet Russia still owned this vast and rich land at the very doorstep of key American cities.

An appreciation of our greatness grew slowly, possibly still is growing. In 1843 a very distinguished Senator McDuffie has this to say of the Oregon country (Oregon, Washington, Idaho) then being considered for annexation. He told the Senate:

"As I understand it 700 miles this side of the Rocky Mountains is uninhabitable, a region where rain seldom falls, a barren sandy soil, mountains totally impassable. Why, the wealth of the Indies would not be sufficient (to cross it with a railroad). Of what use will this be for agricultural purposes? Why, I would not for that purpose give a pinch of snuff for the whole territory. I thank God for his mercy in placing the Rocky Mountains there."

Other interesting remarks were made in the Senate on July 1, 1868, while it discussed Secretary of State Seward's purchase of Alaska for \$7,200,000. This was popularly called Seward's Icebox and Seward's folly. It also was called a lot of other names.

This is from the Congressional record and are statements made by Senators and Representatives:

"Alaska with the Aleutian Islands is an inhospitable, wretched and God-forsaken region, worth nothing, a positive injury and incumbrance as a colony. The country is absolutely without value. Greenland today is a better purchase than Alaska. It is a dead loss to us. If we are to pay for Russia's friendship, I desire to give her the \$7,200,000 and let her keep Alaska. The acquisition of this inhospitable and barren waste would never add one dollar to the wealth of our country or furnish homes to our people. To suppose that anyone would willingly leave the mild climate and fruitful soil of the United States to seek a home among the Aleuts is simply to suppose such persons insane."

Value of the Louisiana Purchase

Rep. Ferriss of New York sought to amend the treaty to authorize the United States to pay \$7,200,000 "to any respectable European, Asiatic or African power" who would accept the territory of Alaska as a gift and take it off our hands.

(Six hundred thousand square miles of land—400,000,000 acres—2 cents per acre—incalculable wealth of fish, lumber, gold, uranium, fur and deep and strategic harbors stretching from within 1,000 miles of continental United States to the very shores of Russia.)

The story of the Louisiana Purchase is one of the greatness of a handful of Americans who had the wisdom and courage to realize and seize the opportunity before them. They forged a new philosophy of territorial expansion (purchase), and they started the United States on its way to world power. Many of the ideas that made America great can be traced directly to those stirring days of 1803 when we first moved forward toward our present position in the world. ★★★

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CREDIT WORLD
MAY 1953

So, You Are Planning to Attend the New Orleans Conference

CHARLES D. BORNWASSER, Roosevelt Hotel, New Orleans, Louisiana
Past President, Retail Credit Association of New Orleans

I KNOW YOU do not want to be bored with a lot of statistics about commerce, economics, industries, port superiority, etc., all of which was well covered by Stanley C. Schulken in his article "New Orleans—My Booming Town," which appeared in the February, 1953, CREDIT WORLD.

While we shall concede that you are coming to New Orleans primarily to attend the 39th Annual International Consumer Credit Conference, and profit from the various meetings, addresses, and allied matters, all of which is a most noble and exalted objective, "deep down in the hearts" of most of you, you are also coming for a good time in New Orleans, that City of many sobriquets, and in which you may have fun.

So, the devil-in-me conspires to outline briefly in this article some of the major attractions or distractions, depending upon your point of view. On February 17, 1953, the greatest Mardi Gras of a seven-week duration

completed its annual cycle, and press, radio and television acclaimed it as "fabulous" as regards the Bal Masques, the parades, the crowds and the weather. It was mass-adoration. So much so, that "Hollywood" through the medium of RKO's new secret camera with alleged improvement over the present 3-D, and new color technique, was so gaga over this mass reaction to a holiday, that they revamped their plans for this Mardi Gras picture, and from a scheduled three-reel production, it will blossom into a six-reel feature. If you missed the 1953 Mardi Gras, you will see much of it in this production which will be released shortly through your local theatres. It was the writer's pleasure to be technical adviser and do a "bit part" in the film. However, there is much for New Orleans and us (your hosts) to offer you over and above the Mardi Gras.

On the cultural side, it is suggested that you invest about \$2.00 in an all-inclusive sightseeing tour of New Orleans, which will take you on a three-hour trip in, around and about Nouvelle Orleans, revealing the beauty of gardens and our floral trail; the moss-draped oaks; historic spots; secluded patios; the iron-lace balconies; the antique shops; the universities; the home of the Sugar Bowl; the lakes; the bayous; the French Market; industries; port facilities; antebellum homes; the Vieux Carre (French Quarter); and so much more, including our cemeteries which have their share of unusual interest, from magnificent mausoleums to intriguing vaults, along with the tombs of associates of LaFitte, the heroic pirate, the alleged Voodoo Queen, etc.

But, here the "devil" pops up again; the same Vieux Carre, to which a veiled reference is made above, while a hundred squares of Old World charm by day, is quite another matter by night. What a difference! If you are the adventurous type, sooner or later, you will be sauntering along the famous Bourbon Street in the Vieux Carre after sunset and perhaps be bewildered by the attractions and distractions which abound. We will not go into detail here, but when you venture forth, use a little caution and do not rush in "where angels fear to tread." You will be on your own, to a great extent, and any of us here in New Orleans will gladly try to plot a safe course for you. Just ask us.

In New Orleans, you will surely eat and drink, and perhaps be merry. The restaurants of New Orleans offer a tremendous variety of Southern and Creole dishes, too numerous to mention. And if you like sea food, this is "paradise." You may even want to try "dunking" raw oysters at an oyster bar, and acquire this fine experience. And, as to drinks, the list is quite long. You may try this and try that, but you will never try them all unless your stay is longer than the conference dates. If you care for sports, including fishing, etc., there is a wide variety of everything, with the possible exception of ice-skating.

Now, as to "games of chance," the roll of dice, the click of the roulette wheel, the rustle of cards, and allied matters, are "silenced" and, in fact, outlawed, so the many establishments which formerly catered to this sort

(Turn to "New Orleans," page 29.)



• Pirates' Alley in the heart of New Orleans' French Quarter runs along one side of the venerated Saint Louis Cathedral and is bounded on the other by the historic Cabildo, now the Louisiana State Museum; and formerly the scene of the transfer of Louisiana to the United States. The Alley received its name from the countless tales about the famous pirate, Jean Lafitte, who is said to have used it in the transportation of smuggled goods about New Orleans.

Credit Service for Small Business

Joseph D. Henderson

Managing Director, American Association of Small Business
New Orleans, Louisiana

THE VALUE of credit service to the small businesses throughout the nation cannot be too greatly emphasized. There are many phases of credit which are of vital importance to all businesses, but there is one feature which has not been properly taken advantage of by the smaller independent business firms. Thousands of dollars' more business could be enjoyed by such every month if the management or individual owners were acquainted with the fundamental principles of credit service. To some people the term "Credit" is as awe-inspiring and as little understood as the profession of medicine is by the layman. In fact many businessmen look upon credit service as they would a disease and unfortunately the improper use and extension of credit has been the downfall of many.

The value of credit service can be best illustrated by citing a case history of one of the members of the American Association of Small Business. The owner of a grocery store located at a popular street intersection had enjoyed a good business in a thickly populated neighborhood for a long time. Having no competition, he had become quite complacent about the manner in which he operated his business. One fine day a call for help came from this neighborhood grocery store. It developed that a national cash-and-carry chain store had leased a location on the opposite corner and planned to open a modern grocery and meat market. To the grocery store operator this seemed to mean that disaster was about to strike and that he would have to go out of business.

Much advice and assistance was afforded him. He was urged to clean up his place of business; paint the front of his store the same bright colors as those used by the national cash-and-carry firm; paint the interior white and red; install modern refrigeration bins for vegetables; a small cold box for meat and, last but not least, dust the old packages and cans of goods long on his shelf, place them on a center table marked down to a give-away price in order to get his money back. So much for the merchandising side of the business.

The value of credit service had never been considered by this neighborhood grocer. He was induced to become a member of the credit bureau. He then subscribed to the reverse telephone directory published by the Southern Bell Telephone Company and the methods of using it were explained to him by a representative of the American Association of Small Business.

According to the plan of operation worked out for the small businessman an area of about ten blocks surrounding his place of business was mapped out in the reverse telephone directory. Each morning at seven o'clock his wife began using telephone sales-service to the homes of customers. In a short time she found out some customers arose at an earlier hour; so she began telephoning them at six o'clock. This service was appreciated by the housewives, who were invited to charge their purchases. Here is where the facilities of the credit bureau came into play. A quick request for telephone credit information helped

to establish all customers that could be served during any one day.

The bicycle delivery service was inaugurated and pleased the customers also. The combination of credit, telephone sales and delivery service was so good and was carried out in such a courteous manner by the wife of the grocer, that by nine o'clock in the morning she had sold out most of the choice vegetables and cuts of meat in addition to securing sizeable orders of canned goods and staples.

Soon it became evident that the type of service which the national cash-and-carry store could not offer was the competition it could not take. Within a few months it closed its doors and moved away.

This same service can be adopted by many lines of business—drugstores, cleaning and pressing shops, hardware stores and florists. Even service stations can increase their business by calling for cars to be washed, greased, gasoline tanks filled, and cars returned to the homes of their customers promptly.

Some will say all that service is too much for us to undertake. There is only one way to get that which one wants out of life and that is to work hard. As Benjamin Franklin wrote in his *Poor Richard's Almanac*, "For age and want save while you may; No morning sun lasts the whole day." The American Association of Small Business urges its members to expand and grow as much as their individual initiative, energy and ability will permit. The judicious use of credit will be of great value in accomplishing this end. ★★★

Editor's Note: Mr. Henderson is a former president of the Retail Credit Association of New Orleans and a member of the Board of Directors of the New Orleans Retailers Credit Bureau. He was vice-president of the Southern Regional Conference of the National Retail Credit Association, now known as districts 3 and 4.

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Scale model of early Recordak Microfilmer recalls pioneering days for Recordak officers; left to right: George S. Sackett, Treasurer; John K. Boeing, President of Recordak; George L. McCarthy, Chairman of the Board and "father" of modern microfilming; Vice Presidents George C. McMahon and Frank L. Hilton, Jr.

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And all the while, Recordak's Field Staff—with an ever-increasing number of case histories at its finger tips—was pointing to economies previously unseen; bringing simplified routines—in addition to extra protection and tremendous space savings—to 65 different types of business . . . thousands of concerns. Recordak Corporation (Subsidiary of Eastman Kodak Company), 444 Madison Ave., New York 22, N. Y.

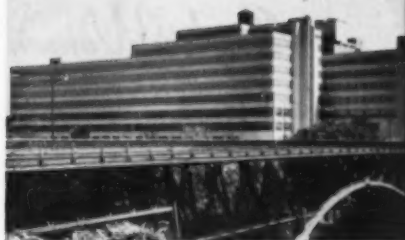
"Recordak" is a trade-mark



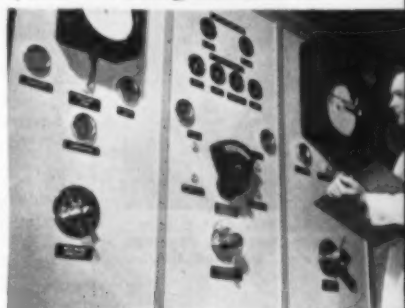
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(Subsidiary of Eastman Kodak Company)

**originator of modern microfilming—
and its application to retailing systems**



Kodak's famous Hawk Eye Works where Recordak Microfilmers, lenses, and accessory equipment are manufactured. Recordak Microfilm is also made by Kodak . . . to exacting, uniform standards.



Recordak's 26 conveniently located Processing Stations process films the same day they are received. High speed, professional equipment is manned by experts.



How can you use microfilming most profitably? Your local Recordak representative can point to the experiences of 65 different types of business . . . thousands of concerns.



The Recordak Bantam Microfilmer . . . with 40-1 reduction ratio, highest available today.

The reason why stores of every size get comparable savings—Recordak Microfilmers are designed for varying requirements.



The Recordak Duplex Microfilmer



The Recordak Triplex Microfilmer



The Recordak Commercial Microfilmer



The Recordak Junior Microfilmer

Credit Women's Breakfast Clubs of North America

15th Annual Conference

Roosevelt Hotel

New Orleans, Louisiana

June 21-25, 1953



NELLE STOMBS

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Rock Island, Ill.



Mrs. Mabel Blinn
First Vice President
Portland, Ore.



Marjorie H. Girton
Second Vice
President
Des Moines, Iowa



Marcella M.
Adamita
Recording Secretary
McKeesport, Penna.



Mrs. Verena Poe
Corresponding
Secretary
Rock Island, Ill.



Mrs. Cammie Lee
Hollis
Financial Secretary
Atlanta, Ga.



Mrs. Una M.
Pearson
Treasurer
Fort Smith, Ark.

PROGRAM

Saturday, June 20 . . .

7:00 P.M.—DIXIE COUNCIL WILL BE HOSTESS TO THE OFFICERS AND MEMBERS AT AN INFORMAL GET-TOGETHER.

Sunday, June 21 . . .

9:00 A.M.—REGISTRATION.

12:00 M.—PRE-CONFERENCE BOARD LUNCHEON MEETING, OFFICERS, CHAIRMEN, DISTRICT PRESIDENTS AND PAST PRESIDENTS, *Pan American Room*, ROOSEVELT HOTEL, \$4.00.

Monday, June 22 . . .

7:30 A.M.—ANNUAL BREAKFAST, *Grand Ballroom*, ROOSEVELT HOTEL, \$2.50. ALL BOSSES ATTENDING THE CONFERENCE ARE INVITED TO ATTEND.

10:00 A.M.—FIRST BUSINESS MEETING, *Grand Ballroom*.

12:30 P.M.—LUNCHEON, COURTESY OF RETAIL CREDIT ASSOCIATION OF NEW ORLEANS FOR OFFICERS AND DIRECTORS, C.W.B.C. OF N.A., N.R.C.A., AND ACBoA.

2:00 P.M.—CREDIT FORUM, ALL GROUPS, *Grand Ballroom*.

5:00 P.M.—GET-TOGETHER FOR OFFICERS AND CHAIRMEN, PRESIDENT'S SUITE, ROOSEVELT HOTEL.

6:00 P.M.—COCKTAIL PARTY, GENERAL GET-TOGETHER, *Gold Room*, ROOSEVELT HOTEL.

Tuesday, June 23 . . .

9:00 A.M.—GENERAL SESSIONS, *Grand Ballroom*.

2:00 P.M.—GROUP MEETINGS.

5:00 P.M.—GET-TOGETHER FOR DISTRICT PRESIDENTS, *President's Suite*, ROOSEVELT HOTEL.

8:00 P.M.—BOAT RIDE ON THE MISSISSIPPI RIVER.

Wednesday, June 24 . . .

9:00 A.M.—GENERAL SESSIONS, *Grand Ballroom*.

2:00 P.M.—GROUP MEETINGS.

6:00 P.M.—DINNER AND SECOND BUSINESS MEETING, *Grand Ballroom*, ST. CHARLES HOTEL, \$3.50.

Thursday, June 25 . . .

7:30 A.M.—BREAKFAST FOR NEWLY ELECTED OFFICERS AND JUNIOR PAST PRESIDENT.

9:00 A.M.—GENERAL SESSIONS, *Grand Ballroom*.

12:00 M.—POST-CONFERENCE BOARD LUNCHEON MEETING, *Pan American Room*, ROOSEVELT HOTEL, \$2.75.

2:00 P.M.—GROUP MEETINGS.

7:00 P.M.—ANNUAL BANQUET AND DANCE, *Grand Ballroom*, ROOSEVELT HOTEL.

Credit Women's Breakfast Clubs of North America

COMMITTEE CHAIRMEN



Mrs. Helen S. Pease
Pin and Emblem
San Francisco, Calif.



Rita F. Barnes
Educational
London, Canada



Mrs. Darleen E.
Crocker
Future Advantages
Portland, Maine



Mrs. Bessie A.
Tearn
Historian
Schenectady, N. Y.



Francis E. Rowe
Constitution and
Bylaws
Washington, D. C.



Mrs. Lois Huey
Nomination
and Budget
Austin, Texas

The District Presidents shown below have served as Directors of our Credit Women's Breakfast Clubs of North America for the year 1952-1953, and to them we are grateful for their support and co-operation. The combined efforts of all of our officers, committee chairmen and district presidents have contributed greatly to the progress of our organization.

Nelle Stomba

President

Credit Women's Breakfast Clubs of North America



Mabel Hardy
District One
Providence, R. I.



Mrs. Jean V.
Lansing
District Two
Albany, New York



Mrs. Mary Geyer
Districts Three
and Four
Jackson, Tenn.



Pauline Riley
District Five
Cincinnati, Ohio



Margaret Delaney
District Six
Sioux Falls, S. D.



Mary Elliott
District Seven
Tulsa, Okla.



Mrs. Mary S.
Morgan
District Eight
Houston, Texas



Effie Juergens
District Nine
Denver, Colo.



Mrs. Rilla B.
Anderson
District Ten
Helena, Montana



Louise Knoepfel
District Eleven
San Jose, Calif.



Mrs. Daris T. Long
District Twelve
Washington, D. C.



Mrs. Marie Murray
District Thirteen
Madison, Wis.

PROGRAM HIGHLIGHTS

39th ANNUAL INTERNATIONAL CONSUMER CREDIT CONFERENCE

The Roosevelt Hotel, New Orleans, Louisiana, June 22-25, 1953

Monday Afternoon, June 22 . . .

The Credit Forum

Grand Ballroom, Roosevelt Hotel

2:00 P.M. to 5:00 P.M.

Chairman, Henry C. Alexander, Belk Brothers Company, Charlotte, North Carolina, First Vice President, National Retail Credit Association.

"A Look Ahead," Paul Millians, Vice President, Commercial Credit Company, Baltimore, Maryland.

"Bank Charge Account Plans," J. C. Gilliland, Pullman Trust and Savings Bank, Chicago, Illinois.

"Birmingham Results Under Chapter 13 of the National Bankruptcy Act," John L. Guyton, Mutual Savings Credit Union, Birmingham, Alabama.

"Credit Education in High Schools," E. Bland Cresap, Credit Bureau of Colorado Springs, Colorado Springs, Colorado.

"Credit Management Institute Program," David Blair, H. Liebes and Company, San Francisco, California.

"Credit Schools," Sterling S. Speake, Retail Credit Specialist, N.R.C.A., Austin, Texas.

"District Programs," J. H. Fisher, Meier and Frank, Portland, Oregon.

Tuesday Morning, June 23 . . .

8:45—ASSEMBLY—GRAND BALLROOM, Roosevelt Hotel
COMMUNITY SINGING

Song Leader, William F. DeVere, Cheyenne
Credit Bureau, Cheyenne, Wyoming

9:00—CALL TO ORDER

"Welcome to the Conference"

O. W. Frieberg, American Trust Company, San Francisco, California, President, National Retail Credit Association

INVOCATION

Rev. Joseph Butt, S.J., Regent, College of Business Administration, Loyola University of the South, New Orleans, Louisiana

IN MEMORIAM

9:15—REPORT OF NOMINATING COMMITTEE

(Annual reports of Officers and Finance Committee will be published in the July and August CREDIT WORLD)

9:20—Greetings

Francis Auger, Credit Bureau of Orlando, Orlando, Florida, President, Associated Credit Bureaus of America

Nelle Stombs, Eddie Gippert Motor Sales, Rock Island, Illinois, President, Credit Women's Breakfast Clubs of North America

9:45—Panel Discussion, "Credit Sales Promotions"

Moderator, W. J. Tate, Charles Ogilvy Limited, Ottawa, Ontario, Canada, Second Vice President, National Retail Credit Association

"Personal Solicitation," D. W. Bollman, Joseph Horne Company, Pittsburgh, Pennsylvania

"Newcomer," Howard G. Chilton, Credit Bureau of Greater Fort Worth, Fort Worth, Texas

"Promoting Sales Through the Credit Department," Mrs. Mary Geyer, Wilson Motors, Jackson, Tennessee

"New Business With a Profit," H. D. Jarvis, Burdine's, Miami, Florida

"Direct Mail," E. E. Paddon, Lammert Furniture Company, St. Louis, Missouri

11:00—A SURPRISE ANNOUNCEMENT BY CLARENCE E. WOLFINGER, Lit Brothers, Philadelphia, Pennsylvania, Past President, N.R.C.A.

11:15—"The Unfinished Dream"

Arthur C. Horrocks, Public Relations Counsel, Goodyear Tire and Rubber Company, Akron, Ohio

12:00—NOON—INTRODUCTION OF:

REPRESENTATIVES OF EXHIBITORS

12:15—ANNOUNCEMENTS AND ADJOURNMENT

Wednesday Morning, June 24 . . .

9:00—ASSEMBLY—GRAND BALLROOM, Roosevelt Hotel
COMMUNITY SINGING

SONG LEADER—William F. DeVere, Cheyenne Credit Bureau, Cheyenne, Wyoming

9:15—RECONVENE

REPORTS OF COMMITTEES

CONSTITUTION AND BYLAWS

CREDENTIALS

ELECTION OF OFFICERS

9:30—Panel Discussion, "Collections"

Moderator, Kaa F. Blue, Foundation Plan, Inc., New Orleans, Louisiana, Third Vice President, National Retail Credit Association

"The Professional Collector," Dale Boley, Adjustment Department, Credit Bureau of Greater Kansas City, Kansas City, Missouri

"Telephone," L. A. Dudding, Galperin Music Company, Charleston, West Virginia

"Form Letters," Charles S. Gallagher, Farmers Union Hardware Company, San Jose, California

"Outside Collector," Mrs. Caroline Harmon, Gumble Furniture Company, Troy, New York

"Printed Notices," Earle A. Nirmaier, W. Wilderott Company, Newark, New Jersey
 "Personal Letters," Frank W. Price, Jean Hall, Seattle, Washington

11:00—"Pleasant Recollections"

Leopold L. Meyer, President, Meyer Brothers Company, Houston, Texas, Past President, National Retail Credit Association

12:00—NOON—ANNOUNCEMENTS AND ADJOURNMENT

Thursday Morning, June 25 . . .

8:45—ASSEMBLY—GRAND BALLROOM, Roosevelt Hotel
 COMMUNITY SINGING

SONG LEADER—William F. DeVere, Cheyenne Credit Bureau, Cheyenne, Wyoming

9:00—RECONVENE

ACTION ON FINAL REPORT OF COMMITTEE ON CONSTITUTION AND BYLAWS

9:15—Panel Discussion, "Serving the Credit Granter"

Moderator, Francis Auger, Credit Bureau of Orlando, Orlando, Florida, President, Associated Credit Bureaus of America

PANEL—Rita F. Barnes, W. McPhillips Ltd., London, Ontario, Canada

Walter Graff, Credit Bureau of Lansing, Lansing, Michigan

Sherman Harris, Creditors Service Bureau, Houston, Texas

Donald H. Puffer, Credit Bureau of Greater Denver, Denver, Colorado

Robert D. Roberts, Union Oil Company, Los Angeles, California

Paul Selby, National Consumer Finance Association, Washington, D. C.

Rex A. Smith, Ben Simon and Sons, Lincoln, Nebraska

V. E. Svendsen, Leon Godchaux Clothing Company, New Orleans, Louisiana

Clarence E. Wolfinger, Lit Brothers, Philadelphia, Pennsylvania

10:15—"You Can't Be a Boss"

John C. Faris, Manager, Customer Business Department, Union Electric Company of Missouri, St. Louis, Missouri

11:00—ANNUAL AWARDS

Nelle Stombs, President, Credit Women's Breakfast Clubs of North America

INTERNATIONAL ACHIEVEMENT AWARDS

Harold A. Wallace, Executive Vice President, Associated Credit Bureaus of America, St. Louis, Missouri

MEMBERSHIP AWARDS

Lindley S. Crowder, General Manager-Treasurer, National Retail Credit Association

12:00 NOON—INTRODUCTION OF OFFICERS

ASSOCIATED CREDIT BUREAUS OF AMERICA

CREDIT WOMEN'S BREAKFAST CLUBS OF NORTH AMERICA

NATIONAL RETAIL CREDIT ASSOCIATION

12:15—ANNOUNCEMENTS AND ADJOURNMENT

Program

Public Utility Group Sessions

Conference Room, New Orleans Public Service Group Chairman

C. R. Clarke, The Brooklyn Union Gas Company, Brooklyn, New York

Co-Chairmen

H. A. Hoppus, Michigan Consolidated Gas Company, Muskegon, Michigan

A. E. Maier, Jr., New Orleans Public Service Inc., New Orleans, Louisiana

Address of Welcome—E. T. Colton, Secretary-Treasurer, New Orleans Public Service Inc., New Orleans, Louisiana

"The Time Is Short"—C. S. Green, New Orleans Public Service Inc., New Orleans, Louisiana

"What About Credit and Collection Costs?"—J. C. Faris, Union Electric Company of Missouri, St. Louis, Missouri

"After Collection—What?"—J. B. Olsson, The Brooklyn Union Gas Company, Brooklyn, New York

"Should Collectors Be Added to Reduce Uncollectibles?"

H. S. Hahn, Ohio Fuel Gas Company, Columbus, Ohio
 "Collection Aids for Utilities"—W. J. Drummey, New Orleans Retailers' Credit Bureau Inc., New Orleans, Louisiana

"Credit Bureau Cooperation"—Avadana Cochran, Credit Granters Association of Kitsap County, Bremerton, Washington

Your Cooperation, Please

In fairness to the conference hotels and to our members, you are urged to notify the hotel at which your reservation was made not later than May 25, 1953, if you find that you cannot attend the International Consumer Credit Conference, New Orleans, June 22-25.

In previous years, some cancellations were made just a week prior to the opening of the conference. But worse still, others failed to show up and did not notify the Registrations Committee. If you must cancel your reservation, please send a copy of the cancellation letter to Roland Ruiz, D. H. Holmes Company, Ltd., 819 Canal Street, New Orleans 3, Louisiana, so that rooms may be assigned to others and your registration blank voided. Also send a copy of your letter to the National Office. Your cooperation will be appreciated by the New Orleans Committee and by the participating hotels and associations.—L. S. Crowder.

Educational Exhibits

Addressograph-Multigraph Corporation
 American Automatic Typewriter Company
 Burroughs Adding Machine Company
 Craig Machine, Inc.
 Curtis 1000 Inc.
 Farrington Manufacturing Company
 Remington Rand, Inc.
 Robotyper Corporation
 TelAutograph Corporation
 Underwood Corporation



Items of Interest From the NATION'S CAPITAL

JOHN F. CLAGETT, Counsel, National Retail Credit Association, Washington, D.C.

A New Garnishment Bill—On March 2, 1953, Representative Thomas B. Curtis, Republican, Webster Groves, Missouri, introduced in the Congress a garnishment bill, patented along the lines of the similar bill known to members of N.R.C.A. as the Kefauver Bill. That bill, it will be remembered, was sponsored by then Representative Estes Kefauver in the 78th Congress. It duly passed the House, but that Congress ended prior to action by the Senate, and the bill died.

N.R.C.A. supported the Kefauver Bill, and in setting forth briefly its views in pamphlet form, stated in part: "Equality before the law is the rock upon which our government rests. In the matter of garnishment of salaries of government clerks for debts, that equality does not exist. H.R. 7213 introduced by Rep. Estes Kefauver of Chattanooga, Tennessee, June 9, 1942, now pending before the Judiciary Committee of the House of Representatives, seeks to remove that inequality by permitting garnishment of the salaries of Federal employees in those states where state laws permit the garnishment of state, municipal or county employees."

Senator Kefauver fought vigorously for his bill before the 78th Congress, and in a statement concerning the purpose and intent of the bill when it reached the floor of the House, he said: "What is the present situation throughout the country and in the Federal Government with reference to garnishment? One of the basic parts of the free enterprise system is credit. America to a great extent was built on credit. Our great railroads, our great industries, our cities were not paid for in cash; the great part of American business is done on credit, even individuals do business largely on credit. Yet our system of credit, which is a fundamental ingredient of free enterprise, breaks down unless there is some legal way to enforce the collection of a debt. In recognition of this fact all except three of the States of the Union have passed laws which, after allowing exemptions which I think should be generous, subject salaries and wages to garnishment."

"Why did all but 3 of the 48 States pass laws allowing garnishment? Because they recognized that that was a part of our American system. I want to call attention to the fact also that 39 of the States have now passed laws which authorize the garnishment of salaries and wages of employees of State, county, city, and municipal governments. [Emphasis supplied.]

"Mr. Chairman, why should the employees of these 39 State governments or the employees of private industry have a different rule applied to them? Why should not the same rule apply to the employees of the Federal Government?"

Senator Kefauver, it will be noted above, recommended liberal exemptions, referring to the state laws. Recently, several of the state legislatures have had pending, or taken action on, measures increasing exemptions. In this regard, the present bill introduced by Representative Curtis, contains a new provision which, we believe, should aid in its passage. It is a section making specific provision for exemptions applicable to Federal employees. This section of the bill, entirely new, is as follows:

"SEC. 2. That the earnings, salary, insurance, annuities, or pension or retirement payments, not otherwise exempted, not to exceed \$100.00 each month, of any person residing in such State or Territory, or of any person who earns the major portions of his or her livelihood in such State or Territory, regardless of place of residence, who provides the principal support of a family, for two months next preceding the issuing of any writ or process against him, from any court or officer of and in such State or Territory, shall be exempt from garnishment, execution, or trustee process, upon such writ or process, and the same shall not be seized, levied on, taken, or reached, by writ of garnishment, execution, trustee process, or any other process or proceedings of any court, judge, or other officer of and in such State or Territory: *Provided, however,* That where the husband and wife are living together, the aggregate of the earnings, salaries, insurance, annuities, and pension or retirement payments of the husband and wife shall be the amount which shall be determinative of the exemption of either in cases arising ex contractu.

"(b) The earnings, salary, insurance, annuities, or pension or retirement payments, not otherwise exempted, not to exceed \$60.00 each month for two months preceding the date of attachment of all persons residing in such State or Territory, or of persons who earn the major portions of their livelihood in such State or Territory, regardless of place of residence, who do not provide the support of a family, shall be entitled to like exemption from garnishment, execution, or trustee process."

The present bill may be further strengthened by another significant provision now under study by Representative Curtis. It would provide specifically for subjecting to garnishment proceedings claims by the Federal Government based on civil judgments for delinquent income or other taxes. Under it the proper Federal authority or agent, presumably district attorneys, would be authorized to resort to garnishment proceedings involving Federal employees to assist in collecting tax indebtedness duly reduced to a civil judgment. ★★★

International Conference Speakers



Arthur C. Horrocks



Leopold L. Meyer



John C. Faris

ARTHUR C. HORROCKS is Public Relations Counsel, Goodyear Tire and Rubber Company, Akron, Ohio. He was born in Cleveland, Ohio, and attended Baldwin-Wallace University and Mt. Union College. With the Goodyear Tire and Rubber Company, Mr. Horrocks successively occupied the posts of production foreman, production control, production engineer and manager of the sales school. With the beginning of Goodyear Industrial University he was selected to head this all-important work. During the period of Mr. Horrocks' service as head of the university, 43,000 young men were trained. The exodus of these trained men, scattered to the four corners of the country, was followed by requests from industry at large for conferences and counsel with Mr. Horrocks. The National Association of Foremen laid first claim to his services as adviser, later as director, educational director, president and chairman of the board.

To service industry and be enabled to comply with a fair portion of requested speaking engagements, Mr. Horrocks found it imperative to relinquish his duties as head of Goodyear Industrial University and become allied with the Goodyear Public Relations Department as counsel. During each year he travels more than 125,000 miles in the United States and Canada to fill speaking engagements.

The background of combined production and education, coupled with years of practical research, gives Mr. Horrocks the equipment to present to his audiences messages of inspiration and wisdom. The N. R. C. A. is delighted to have him address our annual conference on the subject "The Unfinished Dream," Tuesday morning, June 23, 1953.

LEOPOLD L. MEYER is a native Texan and has been an outstanding merchant in Houston for over thirty-four years. He is President and Treasurer of his own firm, Meyer Brothers, Inc., organized in 1945, which operates a highly successful chain of eleven neighborhood stores, including a store in Texas City. He was, for many years, executive Vice President of Foley Brothers of Houston.

Mr. Meyer reorganized the Houston Retail Merchants Association and served as its first President. It was under his administration that the Association purchased and established the Credit Bureau as a merchant-owned enterprise.

He is a Past President of the National Retail Credit

Association having served in 1927-1928. At present, he is writing the history of the Association at its request. He is an honorary life member of the National Retail Credit Association and a member of its Quarter Century Club. He was Chairman of the Old Guard Committee and in 1933 was Chairman of the National Credit Executives Council. He was the author of the symposium on the proposal for a Retail Credit Code for the Council.

In addition to his many business activities, contributions by Mr. Meyer to Houston's civic and cultural life have also been many and varied. He was one of the original founders of the Community Chest in Houston and in 1948 was Chairman of their campaign which raised \$1,994,002. He serves on the Board of Directors of the Fat Stock Show and Livestock Exposition, Harris County Polio Association, Bureau of Mental Hygiene, Red Cross, United Fund, Boys' Harbor and Holly Hall Home for the Aged. He is currently President of the Board of both the Houston Horse Show Association and Texas Children's Hospital. An ardent lover of books and patron of the arts, Mr. Meyer is also President of the Houston Civic Music Association.

The N.R.C.A. is honored to have Mr. Meyer address our annual conference on the subject "Pleasant Recollections," Wednesday morning, June 24, 1953.

JOHN C. FARIS is Manager of the Customer Business Department, Union Electric Company of Missouri, St. Louis, Missouri. He is a graduate of the University of Missouri in Business Administration. He has been connected with the Union Electric Company of Missouri for more than 25 years and is now a member of the General Executive Staff. He was engaged in many phases of accounting until 1945 and then appointed head of the newly established Customer Business Department with the principal responsibility for handling all types of customer service and with administrative duties in connection with customer relations and employee training.

Mr. Faris is a past chairman of the Customer Relations Committee of the Edison Electric Institute; past president of the St. Louis Civitan Club; a member of the Missouri Athletic Club and other various civic organizations. During the past several years he has delivered many lectures and talks on the general topic of human relations before service clubs, civic groups, church organizations and business concerns. Mr. Faris will address our annual conference on the subject "You Can't Be a Boss," Thursday morning, June 25, 1953.

Comparative Collection Percentages

March 1953 vs. March 1952

DISTRICT and CITIES	DEPARTMENT STORES (Open Accounts)						DEPARTMENT STORES (Installment Accounts)						WOMEN'S SPECIALTY STORES						MEN'S CLOTHING STORES							
	1953			1952			1953			1952			1953			1952			1953			1952				
	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO	AV	HI	LO		
1 Boston, Mass.*	42.3	50.1	35.2	41.5	48.1	35.1	12.2	28.0	8.9	16.5	35.9	14.9	—	—	—	—	—	—	—	—	—	—	—	—		
Lynn, Mass.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
2 Providence, R. I.	49.2	53.1	42.5	47.7	56.7	43.9	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
Springfield, Mass.	64.5	66.8	66.2	64.9	69.8	60.1	22.0	26.9	21.9	32.4	34.9	30.0	64.4	—	67.4	—	—	56.6	—	—	—	56.5	—	—		
Worcester, Mass.	50.6	52.0	49.2	49.8	54.0	45.6	25.6	27.2	24.1	28.0	31.0	25.0	49.5	50.1	49.0	50.2	52.4	48.0	—	—	—	—	—	—		
3 New York, N. Y.	49.3	55.1	43.4	48.0	54.3	45.0	18.8	22.8	18.7	22.0	27.3	17.2	45.9	55.1	42.9	44.4	53.7	41.6	51.8	52.6	51.1	52.7	54.9	50.6		
Atlanta, Ga.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
4 Birmingham, Ala.	45.4	52.6	38.0	46.1	56.6	37.0	18.7	20.4	15.5	20.6	23.2	18.2	41.9	48.0	35.8	49.0	71.4	36.7	47.1	50.0	42.0	47.3	50.0	40.7		
New Orleans, La.*	40.3	47.1	37.6	42.3	48.7	37.0	—	—	9.5	—	—	12.5	—	—	—	—	—	—	—	—	—	—	—	—		
Cincinnati, Ohio	57.7	60.1	53.7	55.7	60.2	52.4	16.8	21.2	12.7	19.4	23.8	16.0	59.4	63.1	55.8	60.1	66.4	55.1	54.2	56.4	52.1	51.6	54.7	48.5		
Cleveland, Ohio	45.0	48.1	37.1	45.1	47.4	37.1	20.7	24.1	14.9	21.0	24.0	15.5	36.5	56.2	33.1	34.9	57.5	31.6	63.8	83.5	47.0	79.6	89.5	46.3		
Columbus, Ohio	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
Detroit, Mich.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
5 Grand Rapids, Mich.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
Louisville, Ky.	52.6	56.0	49.2	50.9	53.5	48.5	21.1	26.9	18.6	20.3	24.2	17.0	45.9	47.3	44.5	44.9	46.1	43.1	48.6	54.6	45.2	47.5	54.7	42.9		
Ottawa, Ontario	—	—	—	—	44.6	48.9	34.1	—	—	—	21.5	23.5	19.7	—	—	—	—	—	—	—	—	—	—	—		
Toledo, Ohio	—	—	—	—	49.3	52.3	40.3	—	—	—	17.5	21.5	15.6	—	—	—	56.6	64.5	50.0	—	—	—	41.3	46.3	36.3	
Youngstown, Ohio	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
Cedar Rapids, Ia.	52.6	54.7	50.6	51.4	52.6	50.2	18.9	20.9	16.9	16.6	17.2	16.0	—	72.0	—	—	73.3	—	65.2	66.5	63.9	59.7	61.5	57.9		
Davenport, Ia.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
6 Des Moines, Ia.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
Minneapolis, Minn.	56.3	60.5	51.6	56.3	60.0	53.3	17.2	18.6	15.7	20.6	22.3	19.6	48.8	56.8	40.8	49.1	54.6	43.6	54.3	61.8	48.3	52.6	60.0	46.3		
Omaha, Neb.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
Sioux City, Ia.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
7 Kansas City, Mo.	—	—	—	—	56.1	59.2	52.2	—	—	—	20.1	24.3	15.9	—	—	—	58.8	59.3	58.6	—	—	—	—	58.8	59.3	58.6
St. Louis, Mo.	54.5	57.2	50.0	55.1	53.4	51.9	19.2	21.6	16.5	19.2	22.4	17.3	—	58.0	—	46.0	58.0	39.2	50.6	54.8	50.4	49.7	54.6	45.9		
8 Denver, Colo.	48.3	53.5	41.0	46.4	53.7	38.4	18.1	21.1	15.2	18.5	21.2	11.5	48.4	49.9	46.8	48.4	52.3	44.6	48.4	49.9	46.8	48.4	52.3	44.6		
Salt Lake City, Utah	57.7	64.2	53.5	59.3	63.8	52.5	20.7	25.4	17.0	21.9	24.9	19.0	—	—	—	—	—	—	49.4	52.9	46.0	47.1	50.3	44.0		
Spokane, Wash.	67.1	78.7	55.5	61.3	67.6	55.0	14.7	15.0	14.4	—	15.7	—	—	—	—	—	—	—	—	—	—	—	—	—		
9 Vancouver, B. C.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
Victoria, B. C.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
Los Angeles, Calif.	53.5	57.2	46.0	53.5	62.6	45.4	19.7	32.3	17.0	19.1	20.7	17.6	—	—	—	—	—	—	53.6	67.1	53.0	53.5	73.8	51.3		
Oakland, Calif.	—	—	—	—	61.5	64.7	56.6	—	—	—	19.4	22.9	18.2	—	—	—	56.3	57.8	54.8	—	—	—	57.4	61.4	53.5	
Santa Barbara, Calif.	64.5	68.1	57.2	60.9	66.1	53.0	—	—	—	—	—	—	57.9	61.5	53.0	56.5	65.4	49.4	58.2	65.2	46.3	63.2	69.9	51.3		
San Francisco, Calif.	—	—	—	—	53.1	63.8	47.4	—	—	—	19.9	21.1	18.8	—	—	—	45.3	48.8	38.2	—	—	—	48.4	54.6	46.3	
Baltimore, Md.	47.3	49.9	44.3	45.1	48.4	38.1	17.6	27.4	13.1	18.4	22.9	11.1	36.1	39.0	32.3	43.1	52.2	32.0	43.7	44.3	43.1	46.1	51.6	40.6		
12 Pittsburgh, Pa.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
Washington, D. C.	42.4	51.2	38.2	42.8	50.9	33.1	14.9	19.5	12.3	18.1	20.6	14.7	—	—	—	—	—	—	—	—	—	—	—	—		
13 Milwaukee, Wisc.	53.7	60.5	51.0	52.2	54.0	49.7	18.5	27.7	18.5	19.6	20.7	19.2	59.5	66.3	48.0	56.3	59.2	46.0	50.0	51.9	48.6	58.6	71.8	45.5		

* Figures for February.

INSTALLMENT ACCOUNTS outstanding at department stores were reduced slightly during February. Balances at the month-end were 1 per cent below those of the preceding month, but were 23 per cent above a year ago. February collections on installment accounts decreased moderately from the preceding month, amounting to 15 per cent of balances outstanding at the beginning of the month. This compares with collection ratios of 17 per cent for the preceding month and 18 per cent for February a year ago. Charge accounts outstanding at department stores continued a decline which was largely seasonal in nature. Balances outstanding at the end of February were 14 per cent below

those of the preceding month-end, but were 2 per cent above February a year ago. Collections on charge accounts also showed a seasonal decline during the month. The ratio of collections to first-of-month receivables decreased to 44 per cent, 3 points below January and 1 point below the ratio of February a year earlier. Sales of all types at department stores declined from January to February—cash sales by 9 per cent, installment sales by 1 per cent and charge-account sales by 7 per cent. Cash and charge-account sales were, respectively, 4 per cent and 2 per cent below a year ago, but February installment sales were 13 per cent above the corresponding month of last year.—Federal Reserve Board.

Credit and Collection Procedure

Small Store Cycle Billing Experience

THE GENERAL impression that cycle billing is "for big stores only" comes, most likely, from the fact that it is primarily the large, progressive stores that have adopted it, says E. H. Trimble, credit sales manager, Loeb's, Lafayette, Indiana. His enthusiasm and interest for cycle billing began as early as 1942. When Loeb's made the change to cycle billing shortly after the war there were only approximately 6,000 accounts on the books.

Mr. Trimble is completely sold on the value of cycle billing for even small department stores. The system, he says, is adaptable to operations with still fewer accounts than his store's original 6,000.

As an example he cites Robert Myers, Myers Department Store, Whittier, California, who reports that his store successfully began cycle billing with 3,500 accounts. Billing was done on only two cycles.

Mr. Trimble's first expectations for the new system were based only on confident deductions made after visiting several large department stores using cycle billing and studying each system. He believed that the first savings would be from greater efficiency due to a more systematized method of billing.

He expected later savings in personnel expense such as a reduction in office force, but he could not guarantee that within a short time the savings in this respect would be commensurate with the initial cost of cycle billing equipment. As in most offices of smaller department stores, Loeb's operated with a minimum of personnel; however, if they were able to operate and serve the customers in a more efficient manner, this in itself would be considered a direct saving to the store as well as the customer.

Under the old system a clerk would be given one duty to perform which would practically require her entire time. For example, clerks were used to analyze accounts, others for stuffing or inserting posting media, and still others for filing and collection work. Under cycle billing, analyzing, inserts, posting media, filing new accounts and handling defaults are just part of a tray operator's work.

At one time the equivalent of one person's 15 working days were required to analyze accounts, but under cycle billing this is just another duty automatically performed when inserting posting media. Loeb's formerly used two machine operators and a part-time third that were busy at all times. They now have one machine operator, and, as a rule, she completes her posting by one o'clock in the afternoon and is available for other work. Formerly they used 8 or 10 extra employees at the end of each month for a period of two or three days, endeavoring to mail their statements by the first day of each month.

Everyone was under a nervous strain. Every available person in the office was trying to authorize, take trial

balances and mail statements. With cycle billing there is no peak period. Statements are mailed at regular intervals and payments made at the cashier's window in an even flow without a rush at any one time. Overtime has been completely eliminated. Mail promotions, neglected under the old billing system, now are as easy as inserting a day's charge slips.

Before Loeb's changed over to cycle billing, they, like most small stores, were much concerned regarding the reaction of customers as to receiving statements any other time than the first of the month. Consequently, they mailed out pamphlets for two consecutive months with regular statements explaining cycle billing. A great deal of advertising was put forth in newspapers. A second pamphlet explaining cycle billing was sent along with the customer's first statement, explaining the system.

Loeb's report that few complaints were registered; in fact, most people were pleased that they would receive their statements the same time as they had from department stores in nearby communities. Mr. Trimble reports that opportunities for defrauding or loss of sales slips under this system are eliminated by cross-tabulations at three check spots in the operation.

In setting up the system, Mr. Trimble recommends that the store buy standard cycle billing machines. Office machine manufacturers who sell this equipment have a trained staff that can set up the operation in its entirety. Loeb's are using all Remington Rand equipment which includes cyclomatic cabinets, microfilming machines, and billing machines. National Cash Register phones for charge authorization have also been installed and made an integral part of the system.

Floor space in any department store is important. Formerly Loeb's used cabinets and drawer after drawer for their charge purchases which had to be retained for a certain length of time as permanent records. Now Microfilm records, for the past two years of charge sales, are filed in less than two square feet of filing space. This is a direct saving.

As part of a promotion program, people who have not used their charge account during the month receive a friendly message expressing the hope that everything is all right and that they will be using their account in the near future. A series of six messages are used, followed by a personal letter before the account is filed as "inactive."

The customer also benefits from cycle billing. Heavy purchasers especially are appreciative of the return of original sales slips. No more forgetting a purchase or wondering what one of the amounts was for when the customer sees the original signed slip. ★★★

for the *Smaller Businessman*

SALES PROMOTIONS • OFFICE PROCEDURES • CREDIT AND COLLECTION PROBLEMS

Another Pertinent Question

THIS QUESTION which we thought exceedingly timely and important was submitted to our cooperative panel of experts.

QUESTION

Am interested in educating customers to pay bills promptly, but I am not sure of the best way of doing this. What exactly should the smaller businessman do in this connection?

ANSWERS

H. Trimble, Credit Manager, Loeb's Inc., Lafayette, Indiana:

My experience has been with a department store which is considered too small for a large store and too large for a small store.

When a charge account is opened at Loeb's the terms are explained by the interviewer. Also, the customer is given a pamphlet which explains the entire charge account system as well as stressing the terms.

A letter from the president of our organization is then sent to the customer thanking her for her confidence in our store; again the terms are explained.

When a contract account is opened, a copy of the contract is given to the customer. A follow-up letter is sent explaining the terms and at the same time asking if the terms are in accordance with her agreement.

Credit signs such as "Safeguard Your Credit" are on display in our interviewing rooms and at our cashier windows.

The emblem "Member of the National Retail Credit Association" is printed on all statements, default letters and credit department stationery. This emblem is a very important factor in customer credit education.

We also have a Lafayette Credit Association, members consisting of credit men and women from our local community. Meetings and programs are mainly devoted to community customer credit education.

Newspaper advertisements are sponsored by this association. Material is obtained through the National Retail Credit Association. The public is well informed on such subjects as prompt pay, good credit ratings, etc.

We here at Loeb's firmly believe that as the first step, every member of any organization should become credit-conscious and believe that a good credit rating is a priceless possession. A well-planned program will then be a success.

Kenneth Oetzel, Credit Manager, Boyd's, St. Louis, Missouri:

Be consistent. Monthly bills, of course, should be rendered. Regular reminder notices should be sent ten days after the second statement has been mailed, if there

is no payment. The first two or three notices at intervals of ten days each should be mailed. It should be just a gentle reminder suggesting that the account no doubt has been overlooked, and possibly calling their attention to your terms. The first three follow the same pattern, worded just a little bit differently. From our experience, many respond to the first past-due notice, which proves that it is just a matter of calling the customer's attention to his bill. After several notices sent by mail have produced no results, a phone call should be made.

Harsh or demanding notices should never be sent. The suggestion that the customer has overlooked paying his bill is by far the best introductory step that can be taken. Firmer methods may be used later on, but again a word of caution: the language and the thoughts expressed should be carefully worded.

It is important to send notices to all past-due accounts, almost without exception, in order for them to know your store policy. There should be no store favorites who are permitted to let their accounts run on unpaid.

R. M. Wylie, Credit Manager, Weinstock-Lubin and Company, Sacramento, California:

Education of customers as to terms creates quite a problem. The following fundamental principles should be practiced: a. Explain the terms when the account is opened. b. Explain the terms further in a thank-you note to the customer a short time after the account is established. c. Use statement enclosures when there is a balance owing from the previous month, i.e., exhibits. d. Intelligent collection follow-up, setting forth the terms in at least the first two reminders.

W. O. Perlick, Assistant Vice-President, "Charge It" Service, Texas Bank & Trust Company, Dallas, Texas:

Consumer education is a never-ending job. This can be accomplished in the following manner.

1. Strive toward a standard requirement by all stores using charge account privileges in your town.
2. In all your communications to customers point out the value of a good credit rating.
3. Use the booklet obtainable from the National Retail Credit Association, "The Good Things of Life on Credit."
4. On open charge account statements that reach the questionable stage the following, typewritten on your statement, might help to caution your customers:
"Please mail your check in full so further charging privileges may be extended promptly."
5. When opening an account discuss terms of settlement with your customers. If your customer understands

how the account is to be paid your chances are greater that she will pay promptly than if you fail to mention this important item.

Hugh Tallent, Credit Manager, Charles F. Berg Inc., Portland, Oregon:

To train customers to pay bills in accordance with the terms agreed upon is not easy. Complete success is not possible. However, much can be accomplished in this connection if certain fundamentals are recognized and well-planned procedures consistently followed.

There should be no doubt as to the terms under which credit is granted. Payment dates should be definite. Amounts due should be specified. Deviations from terms should be promptly called to the debtors' attention.

The following are just a few examples of things that can easily be done that encourage customers to observe credit terms more closely:

1. Carefully explain terms when account is opened.
2. In a letter to customer thanking him for business and extolling merits of your firm's goods and services include a paragraph confirming the credit terms.
3. Regular statements should clearly indicate not only the amount due but also when it is due.
4. Special notices should show how much is past due and for how long.
5. The National Retail Credit Association has made available a large selection of stickers and inserts designed to assist in educating customers to pay promptly. They are easy to use, impersonal in nature, and usually achieve the desired results.

Alexander Harding, Credit Manager, John H. Pray & Sons Co., Boston, Massachusetts:

Customer education is a problem that bothers even the large store operator and is a problem that will always be with retail merchants who extend credit. I believe that the best method of education along these lines is to have a clear understanding with the customer, not after she has purchased merchandise, but when you open the account. This can be done in a diplomatic manner by explaining to her the various types of accounts which you have available. If she chooses the regular thirty-day charge account inform her that on a regular thirty-day charge account payment IN FULL is expected within thirty days from date of billing. If you have already done this and it still seems to be a problem then regular dunning with a nicely worded letter, as an insert, along the lines of prompt paying would probably help in your problem.

As far as is known to credit men there is no short-cut method of educating customers toward prompt pay unless you have a strong educational program among your merchants such as has been carried out successfully in Minneapolis (and in other cities). The National Retail Credit Association has an assortment of stickers which can be used as an aid to this problem to be sent with statements and dunning follow-ups.

J. E. Zimmerman, Credit Manager, Kirschman's, New Orleans, Louisiana:

The basic step for educating customers to pay bills promptly is for the person taking the application for credit, to explain the terms thoroughly to the purchaser at the time of sale. Monthly statements should be sent

out promptly. A definite follow-up on delinquent accounts should be maintained.

When an account is overdue, the customer should be sent a mild reminder in the form of a duplicate statement with a sticker attached. The National Retail Credit Association provides a wide selection of these stickers.

The second reminder should be in the form of a printed card, stating the account is overdue and requesting payment.

After the reminder stage, there should be a methodical follow-up on the remaining unpaid accounts, at least every 15 days, by means of letters and telephone calls.

After two reminders and two or three letters, the telephone should be used calling attention to the delinquency of the account. After two telephone calls are made and the account remains unpaid, a registered letter or telegram should be directed to the customer demanding payment within five to seven days.

After exhausting all amicable means of collecting the accounts, those seriously past due should be given to the local credit bureau for collection. By using the numerous facilities offered by the collection department of the bureau, a smaller businessman would eliminate maintaining an expensive collection department and the time and expense of making personal calls.

Mrs. Dorothe Bolte, Credit Manager, Lyons Brothers Lumber & Fuel Company, Joliet, Illinois:

Sometimes I feel that the answer to educating customers to pay promptly is not the problem at all. It is rather that most of the smaller business firms need to educate their personnel to do a proper job of presenting their credit facilities and terms to the customer at the time the account is opened.

A complete credit application, an up-to-date credit report, plus an intelligent analysis of both are the prime requisites for opening an account. To this should be added the ability to explain clearly the firm's credit policies and payment requirements to avoid misunderstandings.

Once the account is opened and the initial sale is on the books, some system of follow-up should be conformed to. This is a good time to show your appreciation for prompt payment with a "Thank you" letter.

Editor's note: Members are urged to send their questions on matters of credit and collection procedure for submission to the panel. Send them to Leonard Berry, Educational Director, N.R.C.A., 375 Jackson Ave., St. Louis 5, Mo.

Credit Bureau For Sale

Not an Associated Credit Bureau in a busy Canadian City. About 150,000 population. Established 1930. Good collection volume. Constantly growing. Very profitable. Selling because of illness. Box 5531, The CREDIT WORLD.

CREDIT FLASHES

PROGRAM

Hospital and Professional Group
Room D, St. Charles Hotel

New Orleans Consumer Credit Conference

Group Chairman

Allen J. Perez, Jr., Rochester General Hospital,
Rochester, New York

Co-Chairman

Vince L. Meyer, Sheboygan Clinic, Sheboygan, Wisconsin

Welcome

J. B. Bronson, Regional Hospital Council, Rochester,
New York

"Effective Credit and Collection Policies"—Miss Gladys Rountree, Dr. John M. Pace, Dallas, Texas

"Professional Collection Errors"—Mrs. Jessie Irvin, Holt-Krock Clinic, Fort Smith, Arkansas

Discussion Forum

Moderator, Mrs. Lois McIver, The Gaston Hospital,
Dallas, Texas.

Forms Display

The forms on display have been brought from various hospitals and clinics by those in attendance and will be available for all sessions.

"The Credit Manager's Team"—Miss Frances Hernan, Massachusetts General Hospital, Boston, Massachusetts

"Report on Associated Credit Bureaus of America Medical Survey"—Carl H. Roewe, Associated Credit Bureaus of America, St. Louis, Missouri

"Credit and Collections"—R. L. Ingraham, University Hospital, University of North Carolina, Chapel Hill, North Carolina.

Address and Discussion—Howard G. Chilton, Credit Bureau of Greater Fort Worth, Fort Worth, Texas

Mrs. C. R. Smith New Mayor at Olympia

Mrs. Charles R. Smith was elected Mayor of Olympia, Washington, the first woman mayor in the city's history. Mr. Charles R. Smith is Manager, The Credit Bureau, Olympia, and Secretary, Retail Credit Association of Olympia. The N.R.C.A. congratulates Mrs. Smith on attaining this high public office.

For Sale

Prosperous collection business in the fastest growing industrial and agricultural area in the Pacific Northwest. Population, 60,000. Trading area over 100,000. No competition. An excellent opportunity. Owner wishes to retire. Price, \$30,000. Box 5532, The CREDIT WORLD.

IMPORTANT

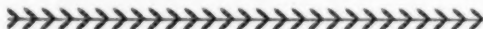
To avoid delays in receiving The CREDIT WORLD, members are urged to report promptly to the National Office, 375 Jackson Avenue, St. Louis 5, Missouri, any change in your mailing address including zone number.

Coming District Meetings

District Three (Florida, Georgia, North Carolina and South Carolina) and **District Four** (Alabama, Louisiana, Mississippi and Tennessee) will hold a joint annual meeting in conjunction with the 39th Annual International Consumer Credit Conference of the National Retail Credit Association, The Roosevelt Hotel, New Orleans, La., June 22, 23, 24, and 25, 1953.

District Eight (Texas) will hold its annual meeting at the Rice Hotel, Houston, Texas, May 17, 18, and 19, 1953.

District Ten (Alaska, Idaho, Montana, Oregon, Washington, Alberta, British Columbia, and Saskatchewan, Canada) will hold its annual meeting at the Empress Hotel, Victoria, British Columbia, Canada, May 17, 18, and 19, 1953.



Credit School at Colorado Springs

The Colorado Springs Retail Credit Association recently completed a credit school conducted by Sterling S. Speake, Retail Credit Specialist of the National Retail Credit Association. The enrollment totalled 77 men and women from department stores, lumber and building materials, appliance stores, collection agencies, clothing stores, utilities, banks, finance companies, tire stores, printing and stationery stores, creameries, paint stores, coal dealers, interior decorators, building and loan offices, music stores, camera shops and jewelers.

Without exception all the comments on the school were from generous praise to overflowing enthusiasm for the manner in which Mr. Speake conducted the classes and the force with which he drove home every point in the entire course. E. Bland Cresap, secretary of the local association and owner-manager of the Credit Bureau of Colorado Springs states that this course was the finest bit of educational work the local association has ever attempted. They were completely satisfied with the results.

Shown in the picture below, left to right, are: Ray Medley, President, Colorado Springs Retail Credit Association; Raymond Stein, Director; Robert Burns, Vice President; Jerry Lane, Director; and E. Bland Cresap. This group made the arrangements for the successful school.



Retail Credit Management Institute

During the week of July 20-24, 1953, credit granters will be offered an unusual opportunity of increasing their skills and abilities, thus leading to greater career possibilities and enhanced value to the firms they represent.

The National Retail Credit Association, and the University of Oklahoma, are cooperating in presenting a well-rounded series of lectures and discussion forums on retail credit management and related subjects. Certificate Awards will be given this year to those passing the optional examination. This *Institute* will be the first of three such summer schools. Successful completion of the full three-year course will entitle the student to a Diploma signifying that he or she has fulfilled a comprehensive credit educational program.

This educational opportunity should appeal to those credit granters wishing to prepare themselves for the ever-increasingly important field of credit management. It is through personal development and specialized training that successful careers in credit work will be achieved. It is by education that one is enabled to seek and secure more highly paid and important positions rather than be under the constraint of necessity to remain on lower levels. There is now, and will continue to be, demand for competent and trained credit executives.

This *Institute* is open to all seeking professional status. Credit managers, assistants, and credit office personnel generally are cordially invited to enroll. Subjects to be offered include, "Retail Credit Fundamentals," "Credit Bureau Service," "Business Communications," "Accounting," "Business Law," and "Public Relations." Instructors will be qualified by educational background and practical experience to present their special subjects in competent and interesting manner. Facilities for research and solving of unusual problems will be abundantly available.

Other than traveling expenses, the total cost to the student, including living accommodations, meals, tuition fees and classroom materials, should not exceed \$50.00. Norman, Oklahoma, where the University of Oklahoma is located, is readily reached by all forms of transportation. Those students wishing to combine attendance at the *Institute* with their vacations will find that Oklahoma

offers many advantages for recreation and sight-seeing.

You are urged to consider the investment possibilities of one week of your time and a modest cash outlay that could easily result in a more satisfactory and remunerative future. What you will be 5, 10, 15, or 20 years from now is being determined today. Prepare yourself for the promise of a better tomorrow. Write today to John B. Freeman, Director of Short Courses, North Campus, University of Oklahoma, Norman, Oklahoma, for descriptive brochure.—Leonard Berry.

Presentation on Civil Defense

Delegates to the 39th Annual International Consumer Credit Conference will be privileged to hear a black-light presentation on civil defense. It will be given by Dr. Jack T. Johnson, Assistant Administrator, Training and Education Office, Federal Civil Defense Administration, Washington, D. C., at a luncheon meeting in the University Room, Roosevelt Hotel, 12:30 P.M., Wednesday, June 24, 1953. Arrangements for this presentation and the availability of the equipment were made with former Governor Val Peterson of Nebraska, administrator of the Defense Administration. Harold A. Wallace, Executive Vice President, ACBoA, who saw this presentation in March, stated that it is extremely interesting and while it may frighten most people, it should be seen by every American and Canadian citizen. Tickets are \$3.00 each and will be available at the Registration Desk, Mezzanine Floor, Roosevelt Hotel, Monday, June 22, 1953, and Tuesday, June 23, 1953.

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... with *THE MORRISON PLAN* ... a consistent Mail Program that has brought back up to 51% of our clients' strayed customers.

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Knoxville, Tennessee	Seattle, Washington
Milwaukee, Wisconsin	Toronto, Canada
San Francisco, California	

"New Orleans"

(Begins on page 14.)

of pastime are dark in the adjoining parishes. You call them "counties." However, if your footsteps should lead into an unscheduled "game," watch your step. Better still, keep out of it.

There is so much more about which to write, but we will leave some things for you to "discover." New Orleans is always "in season" and thus has earned such sobriquets as "The Paris of America"; "The City Care Forgot"; "The Crescent City"; "The International City"; and many others, but we like best "America's Most Interesting City" because, among other items, within the hundred squares of the Vieux Carre, history has been halted, and tenderly preserved. Without a long sea or an air voyage, there is no comparable experience for the American traveler.

We do welcome you here, hoping that you will find new experiences in "America's Most Interesting City," the City we hope you will never forget. ★★

LEONARD BERRY

LAST MONTH we discussed the credit sales promotion possibilities inherent in inactive accounts. The suggestion was made that all blank and balanced monthly account statements be mailed to customers instead of being thrown away as they so often are. On those statements should be imprinted a friendly message inviting resumed use of the account. The usual enclosures sent to active accounts should also be sent to the inactives along with the statement.

One credit executive in writing us about the article made a few additional points which we are glad to pass along to you. Make the message short, he recommended. The tendency often is to crowd in too much material. Brief, pungent, and even lightly humorous, eight to ten word "flashes" with perhaps a sprightly colorful illustration, more readily catch the eye of the customer. Her reaction is apt to be, "That surely is a friendly store, and they really do miss me!"

Don't forget to make use of the postage meter "slug," he pointed out. That can be used advantageously to get over some brief mention of a current special store service. His final suggestion was along the lines of similar recommendations made previously in this column. "Why not," he asks, "utilize the space on the inside back of the window-faced envelope for still another selling message." We heartily agree.

All these worth-while suggestions increase the impact of the mailing. They make the postage stamp "pay its full way." They help to make the store a warm human sort of place instead of seeming to be indifferent and impersonal.

Gradually we are getting away from the cold, formal approach to customer communications. Providing that whatever we do is in good taste, our objective should be to create the impression of friendly service. It is important to use every possible means to convince customers that the credit office is a positive builder of sales.

One large store has imprinted on the foot of its monthly statements this happy phrase, "THANK YOU FOR SHOPPING AT STIX, BAER & FULLER." Surely such a little extra touch of courteous consideration helps in creating the friendly attitudes that mean so much in building better customer relations.

This Month's Illustrations

Our letter illustrations this month are all from New Orleans stores. We appreciate the fine cooperation of J. E. Zimmerman, Credit Manager, Kirschman's, New Orleans, in assembling several letters for us from which to make a selection for publication. Those letters not shown this month will appear in our *Letters Books*, on view at the N.R.C.A. booth at the New Orleans Conference, or shown in future issues of *The CREDIT WORLD*. Many thanks, Mr. Zimmerman.

Illustration No. 1. This letter welcomes newcomers to New Orleans with the graciousness characteristic of that friendly city. This letter is appropriate for use where little or nothing creditwise is known about the newcomer. Undoubtedly where satisfactory credit information is available, a more positive approach is used, definitely telling the newcomer an account has already been opened and is ready for immediate use.

Illustration No. 2. Another fine letter, this one acknowledging the opening of a new charge account. The opening sentence is particularly good. Everyone will agree that it is "... always nice to make new friends." This letter is signed by the president of the store. While this might add impressiveness we usually recommend that new account letters be signed by the manager of credit sales. The advantage of this procedure is that the name of the credit executive is brought before the customer should he or she later desire to seek advice or counsel from the credit manager.

Illustration No. 3. A credit sales promotion letter designed to be sent to approved prospects. We like the positive approach reflected in the opening paragraph. The fact that Rubenstein Brothers specialize in national brand merchandise is skillfully incorporated in the letter. The letterhead is most attractive in design, and also because it is in two colors. Just one small comment. Our readers know we often mention the desirability of including the firm's telephone number in the letterhead. Such we believe is an essential part of the firm's address, and is most useful for customers wishing to phone the store.

Illustration No. 4. Now a collection letter, obviously one used for an account seriously past due. Such a letter is a most difficult one to write. However, mention of the desirability of protecting one's credit record, as does this letter, is usually an effective appeal. Of course, should there be no response to this letter, there is no alternative but to place the account with the attorney as threatened.

Illustration No. 5. This letter serves as a collection letter and a good-will building letter at the same time. Most customers appreciate the consideration of the store in authorizing a charge purchase, even though the account be in a past-due condition. Many credit managers believe that such a letter is strengthened by adding the exact amount past due. This can be done as a footnote or postscript. It is considered good letter-writing practice to type the name of the person signing the letter just below the signature. Certainly helps in replying to the letter. ★★★



Gus Mayer
CO., LIMITED
NEW ORLEANS 1, LA.

April 10, 1953

Mrs. John C. Customer
600 Blum Street
New Orleans, Louisiana

(1)

Dear Mrs. Customer:

We learn with much pleasure of your recent arrival in New Orleans.

In welcoming you to our city, we wish to place at your disposal the facilities of our store and to invite you to make use of them whenever it pleases your convenience.

If you should like to establish a charge account with us, we shall appreciate it if you will fill in the attached form and return to us in the stamped, self-addressed envelope enclosed. This will receive our prompt attention.

We hope we may have the pleasure of serving you soon, and with all good wishes, we are

Cordially,
GUS MAYER CO., LTD.

Charles Mayer
Credit Manager

Kirschman's

First in Furniture Culture

2000 ORCHARD STREET
NEW ORLEANS 17, LA.

April 10, 1953

Mrs. John C. Customer
600 Blum Street
New Orleans, Louisiana

(2)

Dear Mrs. Customer:

It's always nice to make new friends.

We saw from our records that you have just opened an account with us and we want to be certain that your dealings with our Company will make you a "Kirschman Booster". Whenever we can be of help to you, don't hesitate to call upon us. We're here to serve you and to please you in every manner possible.

Again, thanks for your business. Remember you now have an established account with our store. We invite you to use it often.

Yours very truly,
MORRIS KIRSCHMAN & CO., INC.

Victor Kirschman
Victor Kirschman

Goldblatt's

FINE APPAREL SINCE 1880
NEW ORLEANS 1

(5)

Mrs. John C. Customer
600 Blum Street
New Orleans, Louisiana

Dear Mrs. Customer:

Today we were glad to approve a charge purchase made on your account, but in doing so noticed an unpaid balance.

If our records are incorrect in this respect, we should appreciate your letting us know where the error lies. Otherwise, we ask that you make sufficient payment to settle the unpaid balance in order to keep your account in good standing.

Sincerely,
THE LEON GOODMAN CLOTHING CO., LTD.

James
Credit Department

Rubenstein Bros

(3)

Mr. John C. Customer
600 Blum Street
New Orleans, Louisiana

Dear Mr. Customer:

It is a pleasure to extend to you the convenience of a charge account, and we assure you that we shall always do our utmost to merit your continued good will.

You will find here, at all seasons of the year, an abundance of the smartest apparel and accessories from which to choose - and every item identified by a **NATIONALLY FAMOUS LABEL**.

We welcome the opportunity to be of service to you, and hope you will shop with us frequently and find your charge account a real convenience.

Very sincerely yours,
RUBENSTEIN BROS.

Sam B. Berger
Sam. B. Berger, Credit Manager

Good Clothes for Men

MAISON BLANCHE COMPANY

NEW ORLEANS 2, LA.

April 10, 1953

Mrs. John C. Customer
600 Blum Street
New Orleans, Louisiana

(4)

Dear Mrs. Customer:

The long past due balance on your account remains unpaid even though we have reminded you again and again of its condition.

The situation has now reached a stage where it is necessary for you to send us remittance in full within ten days, otherwise as much as we dislike doing so, it will be necessary to place your account in the hands of our attorney for collection.

We know you will realize that your credit record will remain much more satisfactory if we are not required to take this step.

Yours very truly,

Olga A. Fayard
Credit Sales Manager

A Message From the President



MORE ATTENTION has been concentrated on consumer credit by observers, sympathetic, critical and unprejudiced, than any other segments of private debt. It has developed an awareness of its shortcomings and problems, but also its vitality and benefits.

The expanding volume of consumer credit, more particularly instalment debt, again is the subject of concern, uneasiness and the desirability of control.

An objective analysis indicates that the increase in volume has been due to: a rising price level, although unit volume has also been increased; the improvement and the increase in the number of products purchased on instalments; the increasing population; the increasing urbanization of the country; marked gains in personal income; the sustained high rate of new housing construction, increasing the demand for durable goods; and the attainment of social respectability of instalment buying, resulting in a wider distribution of buyers in the different segments of our population. As such, the expansion of consumer credit reflects our dynamic economy.

The significance of instalment buying as an influence upon economic stability depends only in part upon the amount of credit extended, down payment requirements and the repayment period.

An expanding dynamic economy will result in increasing credit outstandings, but concern should rather be directed toward the soundness of credit policy and credit standards. Control over consumer credit can best be exercised by leaders and credit granters through the improvement of lending procedures; the development of more information on individual borrowers or purchasers, emphasizing the dignity of the individual rather than glorifying the collective group by depending on averages and setting limits to keep people from overbuying.

Credit is not an assembly line service, but must be adapted to the use of the individual. It is a formidable responsibility to identify the uncontrolled or irrational consumer who might otherwise incur excessive debt. Credit reports and complete applications are essential tools of credit executives to provide this information. The vast majority of credit buyers manage their finances reasonably well, attested to by the proven credit records of the American people.

Educational programs for our credit

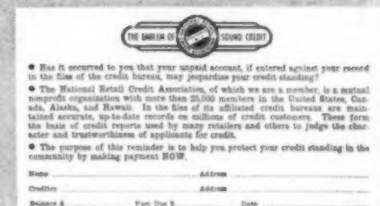
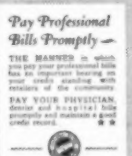
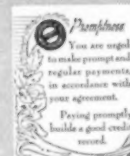
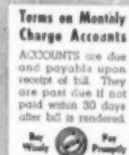
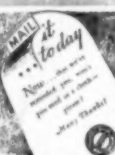
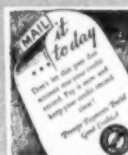
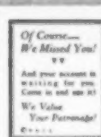
personnel and the public are one of the primary functions of our association. Our educational committee is now preparing a program which will become the basis of an expanded educational program. Education is a part of an expanding personality of the individual, business, or association and the symbol of the very foundation of our economy and the citizenry of a representative government.

Attendance and participation at district and national conferences enable each of us to grow in the capacity for consolidated thinking, in the exchange of ideas, constructive suggestions and the discussion of current trends. I sincerely hope that as many of our members as possible will attend the International Consumer Credit Conference at New Orleans.

It has been a great honor to serve as your President but we are humble in the responsibility that has accompanied that honor. We are deeply conscious of the knowledge that so many opportunities to expand the effective work of our association will have to be passed on to our successors. Past presidents continuing to participate actively in our program provide a continuity with new horizons to be developed by those to follow.

We are indebted to our predecessors for inspiration, enthusiasm and helpful assistance. To Lindley S. Crowder, our General Manager-Treasurer, your association is indebted for his untiring efforts and genius for the organization and direction of our activities. Our appreciation, too, goes to his able assistant, Arthur H. Hert, and to Leonard Berry, under whose direction our educational program has unlimited possibilities for development. It has been a rich experience to know and work with each of them and to have had the loyal support from them and members of all committees. And also, we are deeply appreciative of the cooperation and support of Francis Auger, President, and Harold A. Wallace, Executive Vice President of the Associated Credit Bureaus of America, other officers, directors and members of that Association, and Nelle Stombs, President, Credit Women's Breakfast Clubs of North America, officers, directors and members of that association.

O.W. Friedberg
President
National Retail Credit Association



Stickers and inserts, \$3.00 a 1,000, assorted \$3.50 a 1,000 in lots of 100. Order from N.R.C.A., 375 Jackson Ave., St. Louis 5, Mo.

Mr. Credit Executive . . .
Do you age your accounts? Here is a form designed especially for your needs.

It is especially effective for smaller stores for use in collection follow-up and freezing accounts.

The size is 9 $\frac{1}{2}$ " x 12" and they are padded 100 to a pad. Prices: 100, \$1.25; 500, \$4.50; 1,000, \$8.50. Postage extra. Special prices on larger quantities. Order Age Analysis Form No. 721, today, from your Credit Bureau or National Office.

375 Jackson Avenue

St. Louis 5, Mo.

NAME OF FIRM

MONTH OF

19

[illegible]

In the interest of official credit control accounts paid and money loaned in 1947
an exchange condition should be reported in the Credit Ser-

Form 721—National Retail Credit Association—Saint Louis